

DAILY REPORT

CONTENTS

China

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PRC INTERNATIONAL AFFAIRS

GENERAL

UN Secretary General Concludes PRC Visit	A 1
USSR's Ustinov Raps U.S. Stance at Arms Talks	A 1
SFRY's Mojsov on Nonaligned Meeting Venue	A 1
BEIJING REVIEW Reaffirms Opposing Hegemonism [9 Aug]	A 2
UNESCO Discusses Population Control in Shanghai	A 3
Further Materials on UN Space Science Meeting	A 4
Zhang Wenjin Address	A 4
Conference Concludes	A 5

UNITED STATES

Holbrooke Writes Favorably on Joint Communique	B 1
Thai, Singapore Press Praise Joint Communique	B 1
U.S. Group Said To Suppress Mushroom Imports	B 2
Jiang Xi Fetes U.S. Agriculture Under Secretary	B 3
House of Representatives Passes Tax Increase Bill	B 3
Ji Pengfei Meets American Youth Delegation	B 3

NORTHEAST ASIA

Further Materials on Japanese Textbook Changes	D 1
AFP: Hu Yaobang Comments	D 1
RENMIN RIBAO 14 Aug Article	D 1
Japanese Editorial Noted	D 3
NODONG SINMUN Commentary Cited	D 4
DPRK's Pak Song-chol Meets Journalists	D 4
Zhang Jingfu Meets Japanese Delegation	D 4

SOUTHEAST ASIA & PACIFIC

SRV Said To Launch New Offensive in Kampuchea	E 1
Thai Officer Says More USSR Weapons in Kampuchea	E 1
Khieu Samphan Concludes Romania Visit 21 Aug	E 2
Ambassador to Western Samoa Leaves for Home	E 2
Hong Kong Governor Arrives, Sees Guangzhou's Ren	E 2

SOUTH ASIA

Pakistan President Meets Xinjiang Delegation	F 1
Huang Hua Meets New Pakistani Ambassador	F 1

WESTERN EUROPE

AFP: Hu Yaobang on Sino-French Cooperation	G 1
RENMIN RIBAO on Pipeline Sanctions Dispute [18 Aug]	G 1

EASTERN EUROPE

Hungary's Vocational Education Described [CONGREN RIBAO 13 Aug]	H 1
NPC Approves Consular Treaty With Yugoslavia	H 2
Parade Marks Romania's Liberation Anniversary	H 3
Polish Party Politburo Discusses Recent Unrest	H 3

MIDDLE EAST & AFRICA

Further Materials on Visit by Libya's At-Talhi	I 1
Feted in Shanghai	I 1
Meets Zhejiang Governor	I 1
Leaves for Philippines	I 1
Shultz, Weinberger Interviewed on Mideast	I 1
Red Cross Sends Medicines to Palestinians	I 2
Ji Pengfei Meets Djibouti Assembly Delegation	I 2

PRC NATIONAL AFFAIRS

24th Session of NPC Standing Committee Closes	K 1
State Council Restructured	K 2
Television Coverage	K 2
1981 Final State Accounts	K 3
Hu Yaobang Meets AFP Director, Reviews Policies	K 7
AFP Reporters on Interview With Hu Yaobang	K 8
Deng To Give Up CPC Job	K 8
Comments on CPC Congress	K 9
Nuclear Power Program	K 10
Hu Predicts Stability	K 11
RENMIN RIBAO Calls For Strict Population Control [23 Aug]	K 12
National Family Planning Conference Ends 16 Aug	K 14
Deng Yingchao Article Commemorates He Xiangning	K 14
Monument to Liao Zhongkai Rebuilt in Guangzhou	K 18
Film of Late K mintang Statesman Liao Zhongkai	K 18
Engineering Consulting Group Inaugurated	K 19
CHINA DAILY R [21 Aug]	K 20
Wan Li on Protecting, Developing Resources	K 20
Editorial Wants 'Understanding' People as Leaders [RENMIN RIBAO 16 Aug]	K 21
China Islamic Association Ends Beijing Meeting	K 23

PRC MEDIA ON TAIWAN AFFAIRS

Taiwanese Reaction to PRC-U.S. Communique Cited	U 1
PRC, Taiwan To Meet in Volleyball Championships	U 1

TAIWAN

CHINA POST Assails U.S.-PRC Joint Communique [18 Aug]	V 1
Ban Lifted on Import of 842 Japanese Goods	V 2
Briefs: Arab League Trade Deficit	V 2

HONG KONG MEDIA ON CHINA

WEN WEI PO Urges Suzuki To Act on Textbook Issue [24 Aug]	W 1
PRC Plans To Reorganize Foreign Trade Reported [SOUTH CHINA MORNING POST 24 Aug Business News p 1]	W 2
Hong Kong, PRC Considering Light Rail System [HONG KONG STANDARD 21 Aug]	W 3
Companies Vie for Services to PRC Oil Exploration [SOUTH CHINA MORNING POST 21 Aug Business News p 1]	W 4

UN SECRETARY GENERAL CONCLUDES PRC VISIT

OW240213 Beijing XINHUA in English 1545 GMT 23 Aug 82

[Text] Shanghai, August 23 (XINHUA) -- U.N. Secretary General Javier Perez de Cuellar, Mrs. Perez de Cuellar and their party wound up their visit to China and left here this afternoon. They were seen off at the airport by Ling Qing, China's permanent representative to the United Nations, and his wife Zhang Lian, and Vice-Mayor of Shanghai Zhao Zingzhi.

Perez de Cuellar arrived in Shanghai yesterday, where he visited the Shanghai industrial exhibition and cruised on the Huangpu River. Yesterday evening, Perez de Cuellar and his party were honored at a banquet given by the Shanghai Municipal People's Government. Mayor Wang Dachan and Perez de Cuellar proposed toasts at the banquet.

USSR'S USTINOV RAPS U.S. STANCE AT ARMS TALKS

OW201250 Beijing XINHUA in English 1241 GMT 20 Aug 82

[Text] Moscow, August 19 (XINHUA)--Soviet Defence Minister Dmitriy Ustinov today attacked the U.S. for sticking to its "zero option" proposal at the half-year-old Geneva talks on nuclear arms limitation in Europe, saying that such proposal was "designed to torpedo the reaching of agreement."

Answering questions raised by a TASS correspondent, Ustinov criticized the United States for "disclosing" and "distorting" the content of the talks. He said that the Soviet Union proposed to create "a vast European zone of the reduction and limitation of nuclear arms" in which the existing medium-range nuclear weapons of both the Soviet Union and NATO should be reduced to no more than 300 units in the coming five years after an agreement on this is reached. He explicitly pointed out that all types of medium-range nuclear weapons would be subject to reduction -- both missiles and planes and that deployment of nuclear weapons of new types including American "Pershing-2" missiles and cruise missiles in the zone would be prohibited.

He insisted that there exists a parity of both nuclear and conventional forces between the U.S. and the Soviet Union as well as between the Warsaw Treaty organisation and NATO. He accused the U.S. of trying to attain nuclear superiority.

Ustinov's remarks show once again that no substantive progress has been made in the Geneva talks as both sides remained adamant on their respective stand.

SFRY'S MOJSOV ON NONALIGNED MEETING VENUE

OW230747 Beijing XINHUA in English 0708 GMT 23 Aug 82

[Text] Belgrade, August 22 (XINHUA) -- Yugoslav Federal Secretary for Foreign Affairs Lazar Mojsov said this evening that a consensus had been reached on the need for the seventh non-aligned summit conference to be held in some other country than in Baghdad. Speaking in an interview with Belgrade television, Mojsov said that the consensus was reached after intensive consultations among all the non-aligned countries. India had agreed to host the gathering, he declared.

Mojsov said that what remains to be achieved is to reach an accord on how to formally confirm the consensus on the transfer of the seventh summit from Baghdad to New Delhi, and to decide "in which place, if it is necessary, should a meeting of plenipotentiaries of the heads of state or government, be held" for the purpose.

The foreign secretary hoped that the remaining difficulties about the way in which this accord should be formally confirmed would be resolved in the next few days.

He said that the president of the Yugoslav Federal Presidency, Petar Stambolic, and presidency members Cvijetin Mijatovic and Radovan Vlakovic had held talks with leaders of many non-aligned countries. The result showed that Yugoslavia had played a favourable role in the rapprochement of views of the non-aligned countries and in avoiding the contradictions around this new consensus.

BEIJING REVIEW REAFFIRMS OPPOSING HEGEMONISM

HK230932 Beijing BEIJING REVIEW in English vol 25, 9 Aug 82 p 3

[Notes From the Editors' Column by International Editor Mu Youlin: "Opposing Hegemonism"]

[Text] IT IS SAID THAT IN CHINA OPPOSING HEGEMONISM IS USED AS A SYNONYM FOR OPPOSING THE SOVIET UNION. WHAT DO YOU THINK?

[paragraph published in boldface]

[China still upholds Chairman Mao's theory of the three worlds in its foreign policy. Opposition to hegemonism is one of the three basic points of China's foreign policy (the other two are: strengthening the unity and cooperation among the Third World countries and safeguarding world peace). We oppose anyone seeking hegemonism anywhere and support all countries that suffer from hegemonist expansion.]

The tense and turbulent world situation stems from the contention between the two superpowers, the Soviet Union and the United States. However, as the Soviet Union is on the offensive and the United States is on the defensive in their contention, the major threat to world peace today comes from the Soviet Union. In 1968 the Soviet Union sent its troops to occupy Czechoslovakia. More than two years ago, it invaded and occupied Afghanistan. It also supported Vietnam's invasion of Kampuchea and stepped up its own southward drive for control of the Persian Gulf and the Indian Ocean. China directs the spearhead of its struggle against hegemonism towards the Soviet Union not only because the Soviet Union stretches its hands everywhere, but also because it attempts to achieve its goal of aggression and expansion by flaunting the banner of socialism, styling itself as the "natural ally" of the Third World countries and pursuing its own aims under the cover of "supporting" the struggle of the people of the Third World. Soviet hegemonism is therefore very deceptive. Today this is understood by more and more countries and people.

China's focus on opposing Soviet hegemonism does not mean that it does not oppose the hegemonism of the United States. China's foreign policy is a principled and independent one. Although the strength of the United States has been weakened compared with the past, it still seeks hegemonism. For instance, it always supports South Africa's schemes to obstruct the independence of Namibia in opposition to the broad masses of African people. In the Middle East, it stubbornly supports Israel in opposition to the just demands of the Arab people. Aided and abetted by the United States, Israel has recently sent troops to invade Lebanon, slaughtering the innocent Palestinian and Lebanese people. In Central America and the Caribbean region, the United States supports reactionary dictatorial regimes and suppresses the people's movements for national liberation. In the Korean peninsula, it refuses to withdraw its troops from South Korea, obstructing the peaceful reunification of Korea. As for China, the United States continues to sell arms to Taiwan and interferes in the internal affairs of China. We resolutely oppose all these hegemonist deeds by the United States.

The situations in the Third World countries differ greatly. Nowadays, when the world situation is becoming more turbulent, some Third World countries oppose the Soviet Union, while others direct the spearhead of struggle against U.S. expansion and interference. All countries decide their own policies for the struggle against hegemonism and where the spearhead of their struggle should be directed according to their own specific situations and conditions. China respects their policies.

Some Third World countries receive aid from the Soviet Union because of domestic reasons and their needs in the struggle against the United States. This is understandable. However, China's own experiences show that they should guard against the Soviet Union using its aid to manipulate and control them. The struggle of the Third World countries for national independence and liberation is aimed at driving away the colonialists who ride roughshod over them. It should never allow new interference from outside.

China firmly supports the struggles of Third World countries against imperialism, colonialism, hegemonism and racial discrimination and wishes to strengthen its unity and cooperation with other Third World countries, except Cuba and Vietnam, because these two countries have become tools of the Soviet hegemonists in pushing the latter's policy of aggression and expansion.

UNESCO DISCUSSES POPULATION CONTROL IN SHANGHAI

OW240207 Beijing XINHUA in English 1518 GMT 23 Aug 82

[Text] Shanghai, August 23 (XINHUA) -- More than 30 officials, activists and specialists representing 10 Asian countries met in Shanghai today to study the population issue, which has become a matter of world concern. The women are attending a 12-day training course in social communication for women professionals in population programs co-sponsored by UNESCO and Asia-Pacific Institute for Broadcasting Development (AIBD) that opened today in Shanghai, the biggest city in China.

Representatives from Bangladesh, China, India, Indonesia, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka and Thailand are participating.

Huang Canying, vice-president of the All-China Women's Federation, presided over the inaugural ceremony. She stressed that the control of population growth is China's fundamental national policy. "We are to persist in this policy for a long time to come," she said.

As a result of government effort and support from the people, the family planning program has reported great progress in China. The birth rate declined from 1970 to 1981, dropping from 30 to 18 per thousand.

Yang Kai, deputy mayor of Shanghai, welcomed the participants to see for themselves the participation of Shanghai women in the national development and population programs, as well as working to solve remaining problems.

Yang Yunyu, vice-chairman of the Chinese National Commission for the United Nations Educational, Scientific and Cultural Organization, said the course is a cooperation program of great importance between China and UNESCO.

Yvette Abrahamson, program specialist of population division of UNESCO, Brajesh Bhatia, regional training coordinator of AIBD, addressed the course. Participants in the course will discuss population policies, exchange experience in communication techniques and strategies in population programs and study the role of women in the national development process with special reference to information, communication and education activities in support of population program.

Nessim Shallon, resident co-ordinator of the United Nations System's Operational Activities for Development, joined the course in the afternoon session.

Representatives of the UN Fund for Population Activities and the International Planned Parenthood Federation came from Beijing to attend today's opening ceremony. A reception was given by the All-China Women's Federation and the Shanghai Women's Federation in the evening.

FURTHER MATERIALS ON UN SPACE SCIENCE MEETING

Zhang Wenjin Address

OW121101 Beijing XINHUA Domestic Service in Chinese 1630 GMT 11 Aug 82

[Text] Vienna, 11 Aug (XINHUA) -- On the afternoon of 11 August, Zhang Wenjin, chairman of the Chinese delegation, addressed the second UN conference on the exploration and peaceful uses of outer space. In his speech, he stated China's views and principled stand on the exploration and uses of outer space.

Zhang Wenjin said: "China's consistent stand is that the exploration and use of outer space must serve a peaceful purpose, that they must advance the economic, scientific and cultural development of the various countries and promote equality and friendly cooperation among the various nations. The interests of all countries, particularly those of the developing countries, must be taken into consideration when exploring and using outer space."

Reviewing the rapid progress in space science and technology in the past 14 years since the convocation of the first UN conference on outer space, he continued: "Since the development of space science and technology, some issues have arisen, much to our concern. We hold that the important task of this conference is to seriously consider and resolve these issues and enable the peaceful use of outer space to proceed along the correct path."

Zhang Wenjin said: "Space science and technology, a component part of all of man's science and technology, is the common asset of mankind which ought to be shared by the people of all countries. However, the current situation is that the developed countries are dominating the field of space science and technology. With a population of over 70 percent of the world population, the developing countries account for only 5 percent of all scientific and technological research and development projects. In the field of space science and technology, the gap is even bigger."

"By the end of 1981, all together 2,700 or more satellites and spacecraft had been launched in the whole world, but more than 90 percent of them belonged to the two space superpowers. The enormous gap between the various countries in space science and technology has led to inequality with regard to the rights enjoyed and interests shared by them. The developing countries cannot enjoy, as they should, the benefits brought about by man's exploration of outer space despite the increasingly extensive application and practical achievements of space science and technology. This is an issue that merits our attention. However, owing to historical and other reasons, the developing countries still have much difficulty in resolving this issue. Therefore, the international community should make concerted efforts toward this end. The United Nations and its specialized agencies should play a greater role in helping developing countries to improve their space scientific and technological level and their competence in applications. The developed countries with their advanced technology, particularly the space superpowers, should assume greater responsibilities."

In his speech, Zhang Wenjin also pointed out: "In recent years, the international situation has been turbulent and the hegemonists have intensified their armaments and their war preparations. Even once quiet outer space has now become an arena of intense rivalry and arms race. Outer space is the common environment of mankind. To ensure that the exploration and use of outer space serve a peaceful purpose, practical and effective measures must be taken to prevent outer space from becoming a new arena of the arms race."

"Therefore, in discussing the important issues with regard to the peaceful uses of outer space, the conference must also discuss the issue of prohibiting an arms race in outer space. Measures must be taken to stop and reverse the dangerous trend of having an arms race in outer space. This is the common wish of all peace-loving people throughout the world."

Zhang Wenjin concluded: "China is a developing socialist country. It has consistently pursued a peaceful foreign policy in international affairs. Over the past years, China has made efforts in the exploration and use of outer space while vigorously developing its economy. Presently, China's ability to develop outer space is limited, but it is willing to engage in the peaceful use of outer space and contribute to the welfare of mankind with its achievements in space and technology. We are willing to promote international cooperation, including cooperation with the developing countries, as far as our limited capability allows. We are willing to join consultations on the basis of equality with delegates of other nations and to make utmost efforts in helping solve the issues facing the conference."

On the morning of 11 August, the conference showed a film of speeches by the winners of five regions in a composition contest on "outer space explorations" for middle school students. The title of the composition contest sponsored by the United Nations was: "How Space Activities Are Changing the Outlook of My Country and the World."

An article entitled "Best Wishes for Your New Home," written by Fu Jie, a female student at China's Wuhan municipal school of foreign languages won first place for the Asian zone. The film on her speech lasted 5 minutes. The winners of the four other regions were students of Algeria (for the African zone), the Soviet Union (for the East European zone), Argentina (for the Latin American zone) and Norway (for the West European nations and other countries).

Conference Concludes

OW220808 Beijing XINHUA in English 0723 GMT 22 Aug 82

[Text] Vienna, August 21 (XINHUA) -- The second U.N. conference on the exploration and peaceful uses of outer space today stressed the need for cooperation in space science and technology and for the peaceful uses of space. A report adopted at the end of the conference this afternoon said that it is necessary to continue and expand cooperation in space science and technology. It is also important that all countries have access to benefits from new applications of space science and technology, it said.

Describing the arms race in the outer space as a matter of grave concern to the international community, it said that the maintenance of peace and security in outer space is of great importance for international peace and security. The prevention of an arms race and hostilities in outer space is an essential condition for the promotion and continuation of international cooperation in the exploration and use of outer space for peaceful purposes, it stated.

The report urged all nations in particular those with major space capabilities to contribute actively to the goal of preventing an arms race in outer space and to refrain from any action contrary to that aim.

Addressing the closing session of the conference, Willibald Pahr, president of the conference and Austrian foreign minister, expressed his gratification at the achievements of the conference. But he regretted that cooperation at the conference is paralleled by an unprecedented effort to develop and even deploy weapons that would threaten peace in space. He called for the creation of a world-wide awareness of the need to ensure that outer space remained a peaceful environment.

HOLBROOKE WRITES FAVORABLY ON JOINT COMMUNIQUE

OW230752 Beijing XINHUA in English 0715 GMT 23 Aug 82

[Text] Washington, August 22 (XINHUA) -- The China-U.S. joint communique on the settlement of the issue of U.S. arms sales to Taiwan "can allow the further development of common strategic and political interests" of both countries, said Richard Holbrooke, former U.S. assistant secretary of state for East Asian and Pacific affairs, in an article carried by the Washington POST today. "This is essential to our national security in the face of Soviet adventurism in Southwest Asia and elsewhere," he noted.

He said that after a year of searching for alternatives, President Ronald Reagan concluded that every other possibility was too damaging to U.S. interests. The communique was "probably the best the administration could have extracted from a difficult and dangerous situation."

Had the talks with the Chinese Government failed, Holbrooke believed, "the result would have been a major blow to our world position, with only the Russians -- not even Taiwan -- as the beneficiary".

The former assistant secretary of state said that everything else is a secondary consideration. "The important fact is that by signing this communique, President Reagan has preserved the momentum in Sino-American relations."

He hoped that all those who supported the 1972 Shanghai communique and the 1978 communique that led to the normalization of relations between the two countries should support the new China-U.S. joint communique of 1982.

THAI, SINGAPORE PRESS PRAISE JOINT COMMUNIQUE

OW221708 Beijing XINHUA in English 1611 GMT 22 Aug 82

[Text] Beijing, August 22 (XINHUA) -- Some Thai and Singapore newspapers have issued editorials or commentaries in the past few days, exclaiming the signing of the China-U.S. joint communique.

These newspapers also called on the Reagan administration to repeal the "Taiwan Relations Act" and effectively implement the principles of the Shanghai communique so as to enable Sino-U.S. relations to develop in a good direction.

The Thai newspaper THE NATION REVIEW said in an editorial on August 18: "We are very pleased" over certain agreements reached between China and the United States on U.S. arms sales to Taiwan, Taipei leaders should realize that no one would believe the myth that the Kuomintang is the legal government of China.

THE BANGKOK POST said in an editorial on August 19 that the dispute between China and the United States over the issue of U.S. arms sales to Taiwan has been over. This is a matter for rejoicing.

The NEW CHINESE DAILY NEWS said in an article on August 18 that after the release of the China-U.S. joint communique, Sino-American relations will undergo a sound development.

The paper pointed out in another article on the following day that if President Reagan really values Sino-U.S. relations, he should pluck up courage to resist the pressure from the rightists and effectively implement the principles of the Shanghai communique.

SING SIAN YIT PAO stressed in an editorial on August 19 that since the Reagan administration recognizes that the issue of Taiwan is an internal affair of China, the effect of the "Taiwan Relations Act" will inevitably diminish gradually.

The Singapore newspaper THE STRAITS TIMES said in an editorial on the same day that for the United States "the framework of Sino-American cooperation built up slowly since the Shanghai Communiqué in 1972 has been preserved." "For reasons of national dignity it (China) could not have acquiesced to U.S. arms sales to Taiwan," the editorial added.

U.S. GROUP SAID TO SUPPRESS MUSHROOM IMPORTS

OW211350 Beijing XINHUA in English 1213 GMT 21 Aug 82

[Text] Washington, August 20 (XINHUA) -- The U.S. International Trade Commission will have a hearing and make a ruling on August 24 over the American Mushroom Institute's petition that mushroom imports from China have disrupted American markets. The petition, filed on June 30, alleged that imported canned mushrooms from China had brought heavy damage to American mushroom growers. It asked the U.S. Government to hold down the imports and cited a section of the 1974 Foreign Trade Act to justify the unreasonable demand.

At the same time, in an effort to exert pressure on the government, the U.S. press has made a fuss on the issue, claiming that mushroom imports from China have led many U.S. firms to bankruptcy.

The United States is a traditional mushroom importer. Before 1980, 90 per cent of America's mushroom imports came from South Korea and other places. Mushroom imports came from South Korea and other places. Mushroom imports from China began to increase only in 1980 when China enjoyed the most favored nation treatment. Even so, China's canned mushrooms only account for 31 per cent of the U.S. imports.

Last year, U.S. mushroom imports declined by 25 per cent because of its tariff protections, while domestic production only dropped by 5 percent due to the effect of the economic recession. It is entirely groundless to talk about so-called damage to the U.S. mushroom industry by imports from other countries, still less from China.

Chinese mushrooms are better than those of other suppliers, including American producers. They are welcomed by U.S. consumers despite their higher prices. The quality of U.S. mushrooms is comparatively low, causing production to fall.

Moreover, some of the U.S. canned mushrooms were found poisoning, and the producers were punished for it or had to declare bankruptcy. But this has nothing to do with Chinese mushrooms.

The institute's petition has met with criticism from U.S. mushroom importers and people who uphold justice. Bart Fisher, a lawyer for Nature's Farm Products of Hayward, California, said in a statement that the petition is "an economic absurdity and represents a blatant misuse of the foreign trade laws of the U.S. The domestic mushroom industry secured tariff protection in 1980 against all mushroom imports under section 201 of trade act."

"To place yet another burden on the PRC would amount to rank discrimination against China and would severely undermine future efforts at U.S.-China trade," he stated.

JIANG XI FETES U.S. AGRICULTURE UNDER SECRETARY

OW201544 Beijing XINHUA in English 1536 GMT 20 Aug 82

[Text] Beijing, August 20 (XINHUA) -- Jiang Xi, vice-minister of commerce, gave a banquet this evening in the Great Hall of the People for Seeley G. Lodwick, U.S. undersecretary of agriculture. Lodwick, who arrived at noon today, will have talks with the Chinese Ministry of Commerce to review cooperation on food in the past year and discuss possibilities for future cooperation. They will also discuss grain processing, storage, transport and other topics with other Chinese departments. The undersecretary will preside over the inauguration ceremonies of the Beijing offices of the three U.S. associations for wheat, soyabean and fodder.

HOUSE OF REPRESENTATIVES PASSES TAX INCREASE BILL

OW201220 Beijing XINHUA in English 1200 GMT 20 Aug 82

[Text] Washington, August 19 (XINHUA) -- U.S. House of Representatives approved today a 98.3 billion dollar tax increase bill which President Reagan has requested, thus avoiding a confrontation between the President and his conservative allies in Congress over the issue.

103 Republicans, many of whom earlier had voiced opposition to the bill, joined 123 Democrats to pass the bill. 118 Democrats and 89 Republicans voted against.

The bill is an effort by Reagan to hold down the fiscal 1983 deficit, which the administration estimated recently at 115 billion dollars. The new legislation which covers the next three years will mean higher taxes on cigarettes, telephone service and travelling; reduced medical deductions; withholding on interest and dividends and cuts in some time-honored tax breaks for business.

The new bill would produce the largest peace-time tax increase in the nation's history, only one year after Congress and Reagan agreed on a measure cutting taxes by 750 billion dollars over five years -- the biggest tax reduction ever.

When President Reagan asked Congress to support this new tax increase bill late last month, many conservative Republicans and business groups accused him of reversing the course from the tax-cut agenda he presented to the nation last year.

Therefore, Reagan has unleashed a torrent of activity in the last two weeks designed to ensure Congressional approval. On Monday he made a final appeal to the nation before the voting in Congress for public support. It is believed that there should be no difficulties for the Senate to vote for the bill.

After the voting in the House, Reagan thanked his backers, saying that "this vote does not mark the end of the crusade to get our country's economy moving again" but it is an important step.

JI PENGFEI MEETS AMERICAN YOUTH DELEGATION

OW240219 Beijing XINHUA in English 1619 GMT 23 Aug 82

[Text] Beijing, August 23 (XINHUA) -- State Councillor Ji Pengfei met here this afternoon with the delegation of American Council of Young Political Leaders led by Randal C. Teague, president of the council. Arriving here August 18, the delegation has come on a two-week friendly visit to China at the invitation of the All-China Youth Federation. The American guests were entertained at a banquet given by Liu Weiming, acting president of the host federation.

FURTHER MATERIALS ON JAPANESE TEXTBOOK CHANGES

AFP: Hu Yaobang Comments

OW232040 Hong Kong AFP in English 1849 GMT 23 Aug 82

[Excerpt] Beijing, Aug. 23 (AFP) -- Chinese Communist Party Chairman Hu Yaobang said today that China "greatly appreciated" Japanese Premier Zenko Suzuki's policies and did not confuse them with the revision of Japanese textbooks that has triggered outrage here. "There is a cloud over our relations with Japan," Mr Hu told AGENCE FRANCE-PRESSE in reference to the row over the toned-down accounts of Japan's wartime past.

But Mr Hu stressed that Mr Suzuki, who is scheduled to make an official visit to Beijing next month, was not the target of Chinese anger. The party chairman clearly put all the responsibility for the revision of the textbooks on "militarists," adding that "if they wish to create chaos, not only China but plenty of other countries will get annoyed."

Vice Foreign Minister Qian Qichen told AFP today that there was no question of canceling the Japanese leader's visit to China. "Mr Suzuki will be welcome," he said. Nevertheless, he had harsh criticism for those who tried to "falsify history."

"These Japanese think they can give themselves a better image, but they have achieved just the opposite. That is why China has protested and the Chinese people will never be able to accept it," Mr Qian said.

RENMIN RIBAO 14 Aug Article

HK140752 Beijing RENMIN RIBAO in Chinese 14 Aug 82 p 6

["Newsletter from Japan" by Chen Bowei [7115 3124 1792]: "The Whole Story of the Japanese Textbook Revision"]

[Text] The Japanese Education Ministry distorted history and prettified militaristic aggressive war in its recent screening of school textbooks, thus stirring up a storm of protest and denunciation. This appears to have been a sudden event, but in fact it takes more than 1 day for a river to freeze to a depth of 3 feet, and an undercurrent opposed to the tide of history has been creating a disturbance in Japan for a long time.

Before the end of World War II, all primary and secondary schools in Japan used textbooks designated by the state, and the children were inculcated with militarist education. After the war, in the circumstances of the time, Japan introduced a certain degree of democratization in education, and the system of having textbooks designated by the state was abolished. The basic education law passed by the Diet on 31 March 1947 included the democratic principles "respect for the dignity of the individual" and "respect for academic freedom." There should have been relatively great freedom in compiling and publishing textbooks in accordance with this law. However, while the basic education law was being promulgated another law was also promulgated -- the law on school education. According to certain clauses and regulations in this latter law, textbooks used by primary, junior and senior secondary schools were to be officially screened. The law establishing the Education Ministry in 1949 laid down that one of the jurisdictions of the ministry was to "carry out the screening of school textbooks." In this way, although the textbooks were compiled and published by nongovernmental circles, the power to screen the books was held by the Education Ministry.

Many textbooks have been declared "not up to standard" since this screening started in 1948. The majority of the "opinions on revision" put forward by the Education Ministry regarding social science textbooks (including those on history, politics, economics, ethics and so on) concern historical facts and major issues of right and wrong.

For instance, on finding passages criticizing militarism and external aggression, the Education Ministry either demands that they be cut out or else made more ambiguous. The "guidelines" put forward in 1966 by the Education Ministry for textbooks, and other documents, demanded that the books stress the position of the emperor, the cultivation of "the concept of respect and love for the symbol (i.e., the emperor) (of the country)," and the inculcation of the students with "the sense of a mission of external expansion."

In screening the textbooks, the Education Ministry has done everything possible to conceal the aggressive nature of the foreign wars launched by Japan. For instance, the Japanese militarists called the aggressive war they launched "the greater east Asia war," and also described this war, which they launched to seize colonies, as a war "to achieve national independence in Asia." The Ministry of Education put forward the following "opinions on revision" in screening junior secondary school social science textbooks in 1966: "The Pacific war was certainly not a historical period. At that time it was called the greater east Asia war. It is better to call it the greater east Asia war." With regard to the passage "because of the Pacific war, Japan brought immeasurable pain and disaster on the peoples of Asia," the Education Ministry gave this view: "Today, when the opinion has emerged that (this war) opened the opportunity of independence for the peoples (of Asia), it is unnecessary to write (the above passage) again." Moreover, in this "opinion on revision," the Education Ministry also denied that wartime Japan was fascist and complained that some textbooks "seem to regard Italy, Germany and Japan all as fascist, whereas Japan was not fascist. In addition, this way of handling the issue takes the viewpoint of world history, and is not Japan's standpoint. It is necessary to write on the basis of Japan's standpoint."

These moves by the Education Ministry have consistently been criticized and resisted by scholars and experts taking part in compiling the textbooks and also by the teachers. They hold that the Education Ministry's actions have encroached on "academic and publishing freedom" and have violated the democratic principles in the constitution. Some scholars even hold that the system of having the Education Ministry screen the textbooks is itself a violation of the new constitution. For many years the Japanese education workers union has consistently squabbled with the Education Ministry, sternly demanding that the ministry change its textbook screening system and allow people true "freedom" in compiling and distributing school textbooks.

The tendency to distort history and prettify militarism in school textbooks is not an isolated phenomenon. It reflects a certain political tendency and trend of thought in Japan.

After the end of World War II, defeated Japan instituted bourgeois democratic reforms to a certain degree. The prewar and wartime autocratic military rule was forcibly ended. However, militarist thinking, deeply rooted in the social soil, was by no means eliminated. It has occupied some people's minds like a nightmare. In the view of certain people in the ruling class, textbooks are tools for reviving and cultivating militarist ideology. In August 1955 some people in the Democratic Party, the forerunner of the Liberal-Democratic Party, published a well-known document entitled "Worrisome Textbooks," which lashed out at textbooks compiled and published by nongovernmental circles. In March 1956 the Liberal-Democratic Party submitted a "Law on Textbooks" to the Diet in an attempt to strengthen state control over textbooks. Although this law was not passed, control over textbooks was in fact strengthened after that time. This situation lasted until the early 1970's.

After the beginning of the 1970's, as the Liberal-Democratic Party continually lost favor and seats in the general elections, a situation of so-called "little difference between conservatives and reformers" appeared in the Diet. The Liberal-Democratic Party's ability regarding revising the constitution and controlling school textbooks did not equal its ambition, and it had to draw in its horns somewhat.

Dramatic changes began in the second half of 1980. This was because the Liberal-Democratic Party won big victories in elections to both houses of the Diet in the summer of that year and thus gained a stable majority. Hence, in the past 2 years, there has been a resurgence of the party's activities for revising the constitution, and it has also launched an all-round fierce attack on the question of textbook screening.

On 22 July 1980 the Liberal-Democratic Cabinet's Justice Minister Okuno spoke at a Cabinet meeting criticizing the "lack of cultivation of the patriotic spirit." On 15 October that same year Education Minister Tanaka made a similar speech to the Education Committee of the House of Representatives. On 29 October the Liberal-Democratic Party set up five small internal committees, including a committee on the school textbook issue.

Action guidelines adopted on 23 January 1981 by the Liberal-Democratic Party congress took as one of the guidelines the "'impeachment' of leftwing-inclined education." On 27 February a group of scholars of Tsukuba University, supporters of the Liberal-Democratic Party, published "Highly Dubious Junior Secondary School Textbooks" to create a momentum for encircling and attacking textbooks. A meeting of leaders of the Liberal-Democratic Party on 3 March decided to launch a "textbook campaign." On 9 March Liberal-Democratic Party Diet member Tamachi made a speech attacking school textbooks in the upper house Budget Committee. On 27 April the textbook association demanded that the Education Ministry carry out an all-round revision of "citizens'" school textbooks. On 6 May the Liberal-Democratic Party's Education Department and the education system investigation committee held a joint meeting which decided on formulating a school textbook law and other measures. On 24 November the education minister's consultative organ, the 13th central education review committee, held its first plenary session, which advocated greater regional centralization in jurisdiction over the selection and use of school textbooks, so as to strengthen control over the textbooks. Regarding this, the Education Ministry authorities said: "It is essential to amend the law" in order to carry out this plan.

It is evident from the host of facts cited above that the issue of Japanese school textbooks is actually a question of what ideology to apply in educating posterity and of what road Japan is going to follow in the future. At the same time, it is also a question related to whether Japan can in fact live in mutual understanding with the Asia-Pacific region and establish enduring relations of friendship and cooperation with it. The emergence of the school textbook issue will make people outside Japan more alert and realize more fully the necessity of having a more all-round and profound understanding of Japan.

Japanese Editorial Noted

OW231330 Beijing XINHUA in English 1233 GMT 23 Aug 82

[Text] Tokyo, August 23 (XINHUA) — NIHON KEIZAI SHIMBUN today editorially demanded that the Japanese Government should state explicitly Japan's past wars against its Asian neighbours were aggressive wars and say clearly when and how it will correct those parts of the textbooks distorted by the Education Ministry.

The editorial said because the Education Ministry distorted history when censoring textbooks, Japan's prestige in the world has suffered an unprecedented loss.

In reviewing Japan's history, the editorial stressed, a clear distinction should be made between right and wrong and between good and evil. It is also necessary to state definitely what should be negated and show the intent to prevent recurrence of past crimes. The editorial demanded that Zenko Suzuki make "a historic decision" as a step toward the restoration of Japan's international confidence.

NODONG SINMUN Commentary Cited

OW221230 Beijing XINHUA in English 1224 GMT 22 Aug 82

[Text] Pyongyang, August 22 (XINHUA) -- The Japanese authorities attempt to distort the facts of Japanese aggression is an intolerable insult to history, says a commentary carried by NODONG SINMUN today.

The commentary says that the crimes perpetrated by the Japanese imperialists in Korea and other areas in Asia are historical facts which nobody can deny. They are clearly recorded in the minutes of the trials of war criminals at the international courts, the minutes of Japanese Cabinet meeting and conferences before the throne, documents of the German Foreign Ministry, and confessions of war criminals.

The textbook revision has been condemned by indignant public opinion both in Japan and other countries because the Japanese authorities, by glossing over the facts of Japanese aggression, attempted to militarize the country and carry out expansion abroad, the commentary pointed out.

If the Japanese reaction schemes to renew its old fond dream of "Greater East Asia Co-prosperity Sphere" and embarks again onto the road of aggression and war against the Asian people, they are doomed to meet the same tragic fate of their ancestors, the commentary warns.

DPRK'S PAK SONG-CHOL MEETS JOURNALISTS

OW201334 Beijing XINHUA in English 1311 GMT 20 Aug 82

[Text] Pyongyang, August 20 (XINHUA) -- Pak Song-chol, member of the presidium of the Political Bureau of the Central Committee of the Workers Party of Korea and vice-president of the Democratic People's Republic of Korea, received today the Chinese journalists delegation headed by Zuo Moye, member of the Secretariat of the All-China Journalists Association, at the people's palace of culture in Pyongyang. The host had a friendly conversation with the guests.

Present on the occasion were Chairman of the Central Committee of the Korean Journalists Union Kim Ki-man, and Charge d'Affaires Ad Interim of the Chinese Embassy in Pyongyang He Zhangming.

The Chinese Journalists delegation has visited Pyongyang, Kaesong and Wonsan since its arrival in Korea on August.

ZHANG JINGFU MEETS JAPANESE DELEGATION

OW211428 Beijing XINHUA in English 1259 GMT 21 Aug 82

[Text] Beijing, August 21 (XINHUA) -- State Councillor Zhang Jingfu met here this afternoon with a delegation from Nippon Kokan K.K. Co. of Japan led by General Manager Minoru Kanao. Zhang Jingfu said China will expand cooperation with Japanese firms including Nippon Kokan Co. In the course of transforming her existing enterprises.

SRV SAID TO LAUNCH NEW OFFENSIVE IN KAMPUCHEA

OW240201 Beijing XINHUA in English 1201 GMT 23 Aug 82

[Text] Bangkok, August 23 (XINHUA) -- Vietnamese occupation troops in Kampuchea have renewed military offensives against the Kampuchean resistance forces in the areas opposite the Thai border province of Prachin Buri, according to reports from the Thai eastern border areas. The offensives followed the recent Vietnamese movement of heavy weapons and rotation of troops. A Western diplomat here disclosed that the so-called "partial withdrawal" had never happened. On the contrary, new reinforcements had been moved into western Kampuchea, he added.

A senior Thai military officer said yesterday that the Vietnamese recently fortified their bases near the Kampuchea-Thai border to facilitate the use of military hardware in their attacks. But they would not be able to use their tanks on the border areas as the soil there was soft enough to get the tanks bogged down.

Today's NATION REVIEW quoted Assistant Commander-in-Chief of the Thai Army Gen. Arthit Kamlang-ek as saying that fighting between rival forces in western Kampuchea had escalated and resulted in spillovers across the border into Thailand. Artillery and mortar shells fired from the Vietnamese troops landed on Thai soil and caused damage to the property of Thai villagers along the border.

THAI OFFICER SAYS MORE USSR WEAPONS IN KAMPUCHEA

OW210918 Beijing XINHUA in English 0744 GMT 21 Aug 82

[Text] Bangkok, August 21 (XINHUA) -- A senior Thai intelligence officer disclosed yesterday that the Soviet Union has recently sent more than 100 T-54 and T-58 medium tanks and some long-range 155-mm artillery pieces to Kampuchea to bolster the strength of Vietnamese occupation forces, reported the BANGKOK POST today.

The officer, Assistant Director-General of the Central Intelligence Department of Thailand Thanu Chalarak, made the statement during a panel discussion at the Central Security Command.

He also said that about 80,000 fresh Vietnamese troops had been posted along the Kampuchean-Thai border. These troops, stationed from the areas opposite the Thai province of Ubon Ratchathani in the northeast down to the areas opposite the eastern province, were capable of attacking Thailand at any time, he said.

Thanu said that following the Soviet delivery of tanks and long-range cannons, Hanoi had launched a new offensive on August 11, aimed at annihilating the Kampuchean resistance forces.

He said that in the past six months Hanoi had committed about 10,000 troops in an offensive against the resistance forces. But the blitz was a fiasco and had resulted in about 3,000 Vietnamese troops being killed or wounded. However, the Kampuchean resistance forces had suffered about 1,000 casualties during the period.

In the past three years, the Soviet Union had poured aid worth about 1,000 million U.S. dollars into Kampuchea via Vietnam while assistance from international agencies totaled about 860 million U.S. dollars.

KHIEU SAMPHAN CONCLUDES ROMANIA VISIT 21 AUG

OW211424 Beijing XINHUA in English 1256 GMT 21 Aug 82

[Text] Bucharest, August 21 (XINHUA) -- Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, and his wife left here by air today after accompanying President Samdech Norodom Sihanouk on a visit to Romania. Among those present at the airport to see the guests off was Romanian Foreign Minister Stefan Andrei. Chinese Ambassador to Romania Chen Shuliang was also present.

AMBASSADOR TO WESTERN SAMOA LEAVES FOR HOME

OW201224 Beijing XINHUA in English 1207 GMT 20 Aug 82

[Text] Beijing, August 19 (XINHUA) -- Wang Hao, Chinese ambassador to Western Samoa, and his wife left Apia for home today at the end of his tenure. Before his departure, Ambassador Wang Hao bid farewell to the head of state Malietoa Tanum-Afili II.

At the airport seeing the ambassador and his wife off were Speaker of the Assembly Nonumalo Leulumoega Sofara and a representative of the Western Samoa Government.

HONG KONG GOVERNOR ARRIVES, SEES GUANGZHOU'S REN

OW191844 Beijing XINHUA in English 1830 GMT 19 Aug 82

[Text] Guangzhou, August 19 (XINHUA) -- Governor of Hong Kong Sir Edward Youde, Lady Youde and their party arrived here today at the invitation of Liu Tianfu, governor of Guangdong Province.

In the afternoon, Sir Edward met on separate occasions with Ren Zhongyi, first secretary of the Guangdong provincial party committee; Governor Liu Tianfu; Liang Lingguang, first secretary of the Guangzhou City party committee and mayor of Guangzhou; and Liang Weilin, vice-governor of the province. They discussed economic development in their areas and an increase of economic cooperation between Guangdong and Hong Kong.

In the evening, the guests were honored at a banquet hosted by Governor Liu Tianfu. Sir Edward will leave Guangzhou tomorrow to visit Shenzhen before returning to Hong Kong.

PAKISTAN PRESIDENT MEETS XINJIANG DELEGATION

OW240231 Beijing XINHUA in English 1931 GMT 23 Aug 82

[Text] Islamabad, August 23 (XINHUA) -- Pakistan President Mohammad Ziaul Haq said today that exchange of visits between Pakistan's northern area and China's Xinjiang Uygur Autonomous Region will help promote the friendly cooperation between the two countries. The president made this remark in Rawalpindi this evening when he received Ismail Amat, leader of a visiting Chinese Government delegation and chairman of the people's government of the Xinjiang Uygur Autonomous Region, and some other leading members of the delegation.

While paying enthusiastic tribute to Pakistan-China friendship, the president said that the construction of the Karakoram Highway with the joint efforts of the two countries and the opening of the Khunjerab Pass will strengthen the intimate ties and cooperation between the two countries.

Ismail Amat said that through their visit in the past few days, they have seen with their own eyes that Pakistan is a country with a time-honored civilization. Now, the country has made remarkable progress in industry, agriculture and various other fields. Both President Ziaul Haq and Ismail Amat wished the friendship between the two countries would grow day by day.

Present on the occasion were Minister for Kashmir and Northern Affairs Major General Jamaldar Khan, Minister of Education Mohammad Ali Khan of Hoti, Foreign Secretary Niaz A. Naik and Pakistan Ambassador to China M.A. Bhatti. Chinese Ambassador to Pakistan Wang Chuanbin was also on hand.

This evening, Chinese Ambassador Wang Chuanbin gave a dinner in honor of Ismail Amat and all other members of the Chinese Government delegation. Minister Jamaldar Khan and many other distinguished Pakistan guests were present.

HUANG HUA MEETS NEW PAKISTANI AMBASSADOR

OW180840 Beijing XINHUA in English 0732 GMT 18 Aug 82

[Text] Beijing, August 18 (XINHUA) -- Huang Hua, state councillor and foreign minister, today met and had a cordial talk with new Pakistan Ambassador to China Dr. Maqbool Ahmad Bhatti.

AFP: HU YAOBANG ON SINO-FRENCH COOPERATION

OW231548 Hong Kong AFP in English 1534 GMT 23 Aug 82

[Text] Beijing, Aug. 23 (AFP) -- China is ready to buy Mirage jets from France and to establish joint production of the aircraft, Communist Party Chairman Hu Yaobang told AGENCE FRANCE-PRESSE President and Director-General Henri Pigeat here today. In an exclusive 2-hour interview, Mr Hu referred to other areas of possible cooperation with France, listing nuclear power stations, oil, and coal.

The agreement for purchase and co-production of French Dauphin helicopters was operating well, he said.

When French External Relations Minister Claude Cheysson visited Beijing 3 weeks ago he said that France was prepared to supply China with "defence weapons," but refused to elaborate.

Dauphin helicopters are currently being produced in China. There is an assembly line in Manchuria and engines are built in Hunan in central China.

The Mirage fighter-bomber is manufactured by France's Societe Marcel Dassault, which was nationalised after the Socialist victory in France last year.

RENMIN RIBAO ON PIPELINE SANCTIONS DISPUTE

HK231239 Beijing RENMIN RIBAO in Chinese 18 Aug 82 p 7

[Article by Zhang Yunwen [1728 0336 2429]: "Since the United States Extended Sanctions -- New Development in the Western Controversy Over the Natural Gas Pipeline Project"]

[Text] The 18 June announcement of President Reagan's decision to extend sanctions on the sale of oil and natural gas equipment to the Soviet Union has been evoking strong repercussions in Western Europe. There have been fierce U.S.-European squabbles over this issue. The contradiction between them is still developing.

West Europeans unanimously expressed shock and indignation at the fact that the U.S. administration took this action, which infringes upon their major interests, without holding prior consultations with them. Member states of the EEC have held many meetings to protest the U.S. decision. On 11 August 10 member states of the EEC unanimously adopted a "strongly worded" note to the U.S. administration. The note charged that the U.S. ban was a "violation of international law" and was an "unacceptable interference in the internal affairs of the EEC." The note called on the United States to withdraw its embargo. Such a united action taken by the EEC countries and such an uncompromising stand adopted by the EEC against the U.S. sanctions are rarely seen.

The U.S. allies in Western Europe have tried in every possible way to oppose the ban, such as standing up against the ban and softly pressuring the United States. They have done their utmost to force the Reagan administration to reverse its decision. As a country which has all along adopted an independent attitude, France has publicly contradicted the United States. French President Mitterrand charged that the U.S. sanctions were "repressive, unjust and dangerous," were "thoroughgoing pretension and protectionism" and that the sanctions seriously disrupted the "unity" achieved at the Versailles summit. While the gas pipeline issue was creating discord on the two sides of the Atlantic Ocean, the Reagan administration approved an extension of grain sales to the Soviet Union. This kind of self-contradictory policy has infuriated France. French Minister of Agriculture Edith Cresson sarcastically said: "One may steal a horse while another may not look over the hedge. This may be Reagan's maxim." French Foreign Minister Claude Cheysson said France planned to ignore the U.S. demand.

On 22 July the French Government formally announced its decision to ignore the U.S. demand so as to allow French companies to continue participating in the Soviet gas pipeline construction project. The French media noted: France has taken the "road of direct confrontation" with the United States.

As the U.S. "key principal ally," West Germany has taken a great share in the building of the gas pipeline. In fact, the West German attitude shows that it sides with France. However, West Germany's approach is relatively mild. Generally speaking, the way it made known its position was not as uncompromising as the French. West Germany has constantly sent its economic minister to the United States to hold talks with the U.S. side. West German Chancellor Helmut Schmidt paid a private visit to the United States in the name of vacationing. During his visit, Schmidt held talks with President Reagan and U.S. officials, asking the United States to "restrain itself" as far as possible, and he explained to the U.S. side the West German difficulties in canceling the gas pipeline deal. West Germany energetically claimed that U.S.-European contradiction was just a "family quarrel" and strove to achieve a change in the U.S. views and persuade the United States to lift the ban through these internal consultations. Of course, with regard to this issue touching major interests, although West Germany said it did not plan to follow the French practice, it still issued an export license to the country's General Electric Company and actually supported the West German company in ignoring the U.S. ban. On 28 July, Schmidt stressed that Western countries "are unanimously opposed" to the embargo and that nothing can stop this project.

What has far exceeded all expectations is that Britain and Italy, which have traditionally maintained closest ties with the United States as allies, have adopted an antagonistic stand against the United States this time. During her talks with Reagan on 23 June, British Prime Minister Thatcher complained that the U.S. decision would harm the interests of Britain. After this, British Foreign Secretary Francis Pym went to the United States to hold talks with the U.S. side. During his visit, he said that he hoped the "very serious" divergence of views could be settled. Due to the U.S. refusal to change its attitude, British Secretary of State for Trade, Lord Cockfield publicly announced on 2 August: Since the United States has made no response to our wish to find an acceptable method, the British Government has ordered all British companies to defy the U.S. sanctions. This decision by the British Government has publicly shown an antagonistic relationship between the two most closely related allies. The Italian prime minister charged that the U.S. decision has "created splits" within Western countries. Italian Foreign Minister Colombo also visited the United States to iron out differences. After this, the Italian Foreign Ministry announced on 24 July that the Italian Government will honor the contracts signed with the Soviet Union.

The public confrontation between Western European countries and the United States over the natural gas pipeline project has shrouded the two sides of the Atlantic Ocean with a tense atmosphere. Some Western newspapers have regarded the current conflict between the United States and Western Europe as the most serious one since the founding of NATO and also as a "new stage of crisis." U.S. domestic media are also worried that if both parties continue to refuse to budge, rifts that cannot be reversed would emerge within the U.S.-European alliance. Some people have admitted that the U.S. sanctions against the Soviet Union can inflict very small punishment on the Soviets but can do great damage to the Atlantic alliance. Many people hope that Reagan will adopt measures to alleviate the crisis. However, up to now, the U.S. administration has not softened its position. President Reagan said he had no plans to change the decision. Some American officials threatened to "penalize" those companies which have violated the ban, and also threatened to "enforce the law."

However, many newspapers have noted that such penalties will not be very effective. At the same time, the views of the U.S. ruling group on this issue have become more and more divergent. A subcommittee of the U.S. House of Representatives recently adopted a motion calling for the lifting of the embargo. On 9 August, House Majority Leader Foley [as published] said that President Reagan's ban on the pipeline project was "a disaster in U.S. foreign policy." In the face of these domestic and international situations, President Reagan ordered the establishment of a high-level research group to study ways to settle this dispute.

The U.S.-European squabbles have started at a time when there has been a widespread recession in the economies of the Western capitalist countries; when the economies have not yet taken a favorable turn; when there have been conflicts of interests between Western countries; and when a series of trade wars regarding high interest rates, steel and farm produce have been constantly breaking out between Western countries. Under this kind of situation, the Western European countries' tendency toward independence has become stronger and stronger. Western European countries have accused the U.S. administration of violating its recently reiterated principle that "all allied countries are equal and no one should try to control others." This kind of situation had further complicated U.S.-European contradictions.

At present, in addition to announcing their decisions to ignore the U.S. sanctions, Western European countries are currently carrying out legal procedures to counter U.S. "penalties." France has announced that subsidiaries of foreign companies in France and French companies that have bought patent rights should first abide by the French law prior to giving consideration to abiding by foreign laws. On 2 August the British trade secretary announced the government's decision to cite the 1980 Act for the Protection of the Interests of Trade to prevent British companies from having to comply with foreign laws. However, the U.S. administration has stressed that European countries must abide by the U.S. export act as the contracts they signed require them to do so. Therefore, the INTERNATIONAL HERALD TRIBUNE has predicted: The U.S.-European dispute over the natural gas pipeline project will be turned into a "legal war." The paper said the conflict would not quiet down prior to 21 August, the date the extended United States sanctions go into effect. However, people in some Western countries have noted: Due to the fact that the United States and Western Europe share the same strategic objectives, are interdependent, and are "in the same boat" after all, neither side wants to "see splits within the West" and both sides will do their best to limit the quarrels within the "family" so as to give the Soviet Union no opportunity.

HUNGARY'S VOCATIONAL EDUCATION DESCRIBED

HK200931 Beijing GONGREN RIBAO in Chinese 13 Aug 82 p 2

[Article by Ji Ping [7871 1627] "They've Learned the Ropes Well -- Impressions of a Visit to Hungary (3)"]

[Text] During my short visit to Hungary I made many friends, some workers, some peasants, some factory managers and directors, other journalists and trade union cadres. I was deeply impressed by how they had all thoroughly learned the ropes of their trade. For example, the director of the Budapest woolen mill had previously worked as workshop foreman, and after a training period had become an expert in business management for the mill. The secretary of the party committee in the mill had previously been the trade union secretary and had studied at a political college. During my visit to the famous Red Star Agricultural Production Cooperative, I learned that 178 members of the cooperative were university graduates and they now formed the backbone of the Red Star Cooperative's move to modernize the rural economy. The leaders of the cooperative all possessed specialized knowledge and technical know-how in the areas of agriculture and animal husbandry. Indeed, many of them were agricultural college graduates.

Many cadres in Hungary do not feel satisfied with the extent of their knowledge and the level of their college degrees and therefore assiduously continue their studies. I remember one young man, who accompanied me on my visits and who was a university graduate in economics. However, he was very interested in journalism and he therefore studied journalism. Another journalist told me that her husband was a mechanical engineer, but he was now working hard studying civil engineering. When I was visiting the famous ancient city of Sopron I met a 29-year-old woman who had one child and worked in a hotel. She worked hard during the day at her job -- managing numerous domestic chores -- and in the evening she attended night school.

All the cadres I met in Hungary were able to answer all my questions and discuss all topics I chose to bring up, without any hesitation or awkwardness. An example was the chief engineer of the Budapest printing works. During talks with me he not only displayed a thorough knowledge of production, management and other areas involved in the works, but in addition showed a complete understanding and grasp of the questions I posed such as the problems of coordinating scientific management and democratic management. He went on to underline the importance of improving business management, the role of trade unions and the establishment of good interpersonal relations.

The section chief of the economics department of the (La Bao) [2139 7637] car factory not only gave me a detailed explanation of the factory's production and management but also discussed the work of the factory's trade union. I asked him why he had such an intimate knowledge of trade union activities and he replied that at one time, when he had to draw up a report concerning factory production and various other things, it was vital that he understand and consider the views and opinions of the trade union. Thus, he had made a careful examination of trade union activities.

How is it that the cadres in Hungary all display this common trait of understanding their jobs inside out? According to my Hungarian friends, the last few years have seen great emphasis placed on the necessity of training and educating cadres. In implementing adjustments in the economic system and increasing business autonomy in decisionmaking, the responsibilities of the cadres at every level become greater, thus putting greater demands on the cadres, which in turn spur them on to study and learn more.

Apart from taking careful note of their political stance and their grasp of political policy, selection procedures for cadres in Hungary also take into account educational reports on individual aptitude, previous duties and vocational and professional training, as well as noting up-to-date knowledge in various fields, practical experience and ability to keep abreast of the continuous developments in science and technology.

For example, the manager of a large enterprise or a factory director is at least expected to be a trained engineer, while the chairman of an agricultural cooperative is expected to have studied agronomy or be an expert in animal husbandry. In addition, factory leaders must possess degree certificates or diplomas proving their qualifications in business management. All the leading cadres in the Budapest printing works had university degrees and of the leaders of the various sections of the works, 40 were certified engineers.

Another fact that struck me was that very few cadres in factories and mass organizations in Hungary give up their normal work duties when they become cadres. For example, of the 20,000 employees at the (La Bao) car factory, only 8 cadres have totally given up work in the factory. And of the 300 trade union committee members at the Budapest woolen mill, only the trade union secretary has given up production work in order to carry out secretarial duties. Such a situation not only enhances relations between workers and the trade union cadres, it also prevents an increase in bureaucracy and spurs cadres in every level of an organization to expand their knowledge and become multitasking people.

In order to improve the task of training cadres, the Hungarian Government uses different strategies. For example, during the early 1970's the government established the "cadre training center," designed to train mid-level leaders and cadres for work in all regions, districts, large enterprises, cooperatives and other bodies. Most cadres and leaders of large enterprises, and those recently promoted to mid-level positions, take the advanced study courses offered in business management and similar studies. Within a year, most of them have written their theses on either improvements in leadership or business management and have sat for the oral defense of their theses. The "training center" also offers a training course mainly designed for those in large enterprises about to be promoted to high-level leadership and cadre posts. This course lasts for 1 year and those taking the course must have university transcripts and international work experience. To graduate, those taking the course must pass an examination and defend their theses. Successful candidates then receive their diplomas. Those who do not meet the standards demanded of cadres, on either a vocational level or for professional reasons, must either temporarily stop work to take additional classes or study by means of correspondence courses or evening school, in order to complete their training requirements. The enormous amount of work necessary in the training of business management grassroots cadres is also given due attention by the Hungarian Government. Enormous numbers of cadres who work at levels above that of workshop head attend business schools where they attend classes in business management for 2 to 4 weeks.

As the power of the trade unions continuously increases, so too do the demands placed on the trade union cadres. Thus, the trade union groups, as well as some industrial trade unions, have set up training courses for trade union cadres, which the cadres at all levels of the trade unions must attend for specified periods, thereby continuing to improve their vocational knowledge and work capacity.

NPC APPROVES CONSULAR TREATY WITH YUGOSLAVIA

OW240224 Beijing XINHUA Domestic Service in Chinese 1243 GMT 23 Aug 82

[Resolution adopted by the NPC Standing Committee on 23 August 1982 with regard to the ratification of the "Consular Treaty Between the People's Republic of China and the Socialist Federal Republic of Yugoslavia"]

[Text] Beijing, 23 Aug (XINHUA) — The 24th Session of the Standing Committee of the Fifth National People's Congress hereby adopts the resolution to ratify the "Consular Treaty Between the People's Republic of China and the Socialist Federal Republic of Yugoslavia" signed by Huang Hua, vice premier of the State Council and foreign minister, in Beijing on 4 February 1982 on behalf of the People's Republic of China.

PARADE MARKS ROMANIA'S LIBERATION ANNIVERSARY

OW240344 Beijing XINHUA in English 0243 GMT 24 Aug 82

[Text] Bucharest, August 23 (XINHUA) -- A grand parade was held here today to mark the 38th anniversary of the victory of the anti-fascist and anti-imperialist "August 23" armed uprising and the liberation of the country. Nicolae Ceausescu, general secretary of the Communist Party and president of the republic, and other party and state leaders reviewed the parade at the "Aviator" Square.

Representatives from the Romanian Party, government and military units, revolutionary veterans, outstanding figures of all walks of life, and foreign guests and diplomats were present on the occasion. Among the guests were also Chinese delegations of party workers, and friendship and journalists associations. Similar parades were held today in other Romanian cities.

POLISH PARTY POLITBURO DISCUSSES RECENT UNREST

OW210916 Beijing XINHUA in English 0736 GMT 21 Aug 82

[Text] Warsaw, August 20 (XINHUA) -- The Politburo of the Polish United Workers Party held a meeting today to discuss the present socio-political situation in the country, which called on the party members to take active actions to "safeguard a normal social atmosphere." The meeting pointed out that "forces interested in the destabilization" of Poland intended to stir up "a wave of unrest at the end of August and early in September," to which the authorities "cannot and will not remain indifferent."

Since mid-August, underground Solidarity groups have organized one street demonstration after another in Szczecin, Warsaw, Gdansk, Wroclaw, Krakow and other cities. The "provisional national coordinating committee" of Solidarity issued an appeal recently, calling on the workers to stage massive demonstrations and other activities on August 31 to protest against the state of siege to mark the second anniversary of the summer industrial unrest in 1980.

The Politburo meeting pointed out today that an end to martial law depends closely on "calm and order throughout the country" and the reformation of social, political and economic life.

Another report said that Gen. Wojciech Jaruzelski, chairman of the Military Council of National Salvation, on August 18 ordered special sessions of provincial defense councils to be convened to consider "what means should be applied to assure public order."

FURTHER MATERIALS ON VISIT BY LIBYA'S AT-TALHI

Feted in Shanghai

OW201644 Beijing XINHUA in English 1631 GMT 20 Aug 82

[Text] Shanghai, August 20 (XINHUA) -- The Shanghai people's government gave a banquet this evening to welcome Jadallah Aziz at-Talhi, secretary of the Libyan General People's Committee. Shanghai Mayor Wang Daohan and At-Talhi offered toasts.

At-Talhi said his visit to Beijing was very successful. His talks with Chinese leaders showed the two sides had the desire to strengthen and develop the friendship and cooperation between the two countries. "My visit to Shanghai today has enabled me to witness the tremendous progress in industrial and agricultural production in China," he said.

Also attending the banquet were Chinese Vice-Minister of Foreign Affairs Wen Yezhan, who is accompanying At-Talhi, and Abdalla A. al-Harari, secretary of the Beijing People's Bureau of Libya.

Earlier today, the guests visited a rural people's commune on the city's outskirts, and the Shanghai machine tools plant with Vice-Mayor Yang Di.

Meets Zhejiang Governor

OW211628 Beijing XINHUA in English 1612 GMT 21 Aug 82

[Text] Hangzhou, August 21 (XINHUA) -- The Zhejiang Provincial People's Government gave a banquet here this evening in honor of Jadallah Aziz at-Talhi, secretary of the Libyan General People's Committee, and his party. Zhejiang Governor Li Fengping and At-Talhi proposed toasts to the continuous development of the friendly cooperation between the two countries.

Present at the banquet were We Yezhan, Chinese vice-minister of foreign affairs, and Abdallah A. Alharari, secretary of the people's committee of the Libyan People's Bureau in Beijing, who are accompanying At-Talhi on the visit.

The Libyan guests arrived here from Shanghai by special plane this morning. They were seen off at the airport by Shanghai Mayor Wang Daohan. This afternoon, the guests visited a silk tapestry factory and the Lingyin Monastery in Hangzhou.

Leaves for Philippines

OW220810 Beijing XINHUA in English 0741 GMT 22 Aug 82

[Text] Hangzhou, August 22 (XINHUA) -- Jadallah Aziz at-Talhi, secretary of the Libyan General People's Committee, and his party wound up their official visit to China and left here for the Philippines by special plane this noon. Seeing them off at the airport were Li Fengping, governor, and Chen Zuolin, deputy governor, of Zhejiang Province, and Wen Yezhan, Chinese vice-minister of foreign affairs. This morning, the Libyan guests went sightseeing on the west lake here.

SHULTZ, WEINBERGER INTERVIEWED ON MIDEAST

OW230740 Beijing XINHUA in English 0701 GMT 23 Aug 82

[Text] Washington, August 22 (XINHUA) -- U.S. Secretary of State George Shultz said today that the U.N. Resolution 242 implies that Israel must withdraw from the West Bank and the Gaza area it occupied. The secretary, interviewed in a T.V. program, said: "I think 242 has that implication in it."

He added that the resolution could be interpreted in many ways but "certainly one of those ways is that some shift in what are the practical borders now will take place."

Asked about the U.S. stand on Palestinian self-determination, Shultz said that the Palestinians "should have a part in determining the conditions under which they are governed."

"I do think the establishment of a situation where the Palestinian people can have some sense of dignity and control of their lives is very important and an essential part of any agreement," he stressed.

Shultz said that he believed that more countries should participate in the Middle East peace process. "Obviously for there to be a genuine peaceful outcome that is widely acceptable in the region there have to be more countries involved than Egypt, Israel and the United States," he noted.

Shultz indicated that despite Israel's invasion of Lebanon it still was a trusted ally of the U.S. The U.S. must be "careful" about Israel's security, he said.

In a separate T.V. interview, Defense Secretary Caspar Weinberger also said that the Palestinian people "certainly have to have some kind of a understanding that they, too, are entitled to some of these normal attributes" in a Middle East settlement.

On the peace prospect after the Lebanon crisis, the defense secretary said: "There are a lot of ideas being discussed and being considered, and the American plan, I believe, is in the process of being formulated." But he gave no details except saying that he hoped the plans being considered would lead to "a kind of condition that can enable that very vital region of the world that has been in turmoil for so long to live in peace".

Although he acknowledged that Israel violated an agreement concerning the use of armaments provided by the U.S. in the invasion of Lebanon, Weinberger indicated that there would be no sanctions against the Israelis on this matter.

RED CROSS SENDS MEDICINES TO PALESTINIANS

OW220724 Beijing XINHUA in English 0701 GMT 22 Aug 82

[Text] Damascus, August 21 (XINHUA) -- Twenty tons of Chinese medicaments and medical instruments arrived here this afternoon in a Chinese special plane, as a donation from the Red Cross Society of China to the Palestinian Red Crescent. A representative of the Palestinian Red Crescent was at the airport to receive the donation.

JI PENGFEI MEETS DJIBOUTI ASSEMBLY DELEGATION

OW201514 Beijing XINHUA in English 1502 GMT 20 Aug 82

[Text] Beijing, August 20 (XINHUA) -- Chinese State Councillor Ji Pengfei met here this afternoon with a friendship delegation from Djibouti led by Ahmed Boulaleh Barreh, president of the permanent commission of the National Assembly. Ji Pengfei discussed with the guests the enhancement of friendly relations between the two countries. Ji visited Djibouti in 1980.

24TH SESSION OF NPC STANDING COMMITTEE CLOSES

OW231320 Beijing XINHUA in English 1222 GMT 23 Aug 82

[Text] Beijing, August 23 (XINHUA) -- The 24th Plenary Session of the Standing Committee of the Fifth National People's Congress passed a resolution today to convene the Fifth Session of the Fifth National People's Congress in November.

During the session, the committee members heard a report by Huang Hua, state councillor and minister of foreign affairs, on the conclusion of the Sino-U.S. agreement concerning the solution of U.S. arms sales to Taiwan.

The plenary session, which closed here this afternoon, adopted the following resolutions:

-- The resolution approving the final state accounts for 1981.

-- The resolution on the adoption of the law of the People's Republic of China on marine environmental protection, the law of the People's Republic of China concerning trademarks, and on China's participation in the "Convention Relating to the Status of Refugees". The resolution expresses reservations on the second half of Article 14 and item 3 of Article 16 of the convention and Article 4 of the protocol.

-- The resolution approving the consular treaty of the People's Republic of China and the Socialist Federal Republic of Yugoslavia.

-- The resolution on the plan of the restructuring of the institutions directly under the administration of the State Council.

The State Council originally had 41 institutions under its direct administration. After the first phase of restructuring, 18 institutions merged into others. According to the plan approved this time, 15 institutions out of the 23 left will remain, and the other 8 institutions will merge into others.

-- The resolution on making XINHUA NEWS AGENCY a component part of the State Council as the state organ for unified releasing of important news. Mu Qing was appointed director-general of XINHUA NEWS AGENCY. 61-year-old Mu Qing, of the Hui nationality, was formerly deputy director-general of XINHUA NEWS AGENCY.

-- The resolution on merging the office under the State Council in charge of the national defence industry, the Science and Technology Commission for National Defence of the Chinese People's Liberation Army and the office of the science, technology and armament commission of the Military Commission of the Central Committee of the CPC into a Commission in Charge of Science, Technology and Industry for National Defence. Chen Bin was appointed minister in charge of the commission. 61-year-old Chen Bin was formerly vice-minister of the State Planning Commission and vice-minister of Science and Technology Commission for National Defence of the P.L.A.

Lu Jiaxi was appointed president of the Chinese Academy of Sciences and Fang Yi relieved of the post. 66-year-old Lu Jiaxi was once vice-president of Xiamen University, vice-chairman of the standing committee of the People's Congress of Fujian Province and honorary president of Fuzhou University.

Ma Hong was appointed president of the Chinese Academy of Social Sciences and Hu Qiaomu relieved of the post. 62-year-old Ma Hong was formerly director of the Institute of Industrial Economics under the Chinese Academy of Social Sciences and vice-president of the academy.

Liu Jiguang was appointed president of the Military Court of the Chinese People's Liberation Army and Tian Jia relieved of the post.

The session also decided on the appointments and removals of a number of ambassadors to foreign countries and leading members of provincial people's procuratorates.

Vice-Chairman of the Standing Committee Peng Zhen presided over today's meeting. Vice-Chairmen Deng Yingchao, Ulanhu, Wei Guoqing, Peng Chong, Xu Deheng, Xiao Jingguang, Hu Juewen, Shi Liang, Xi Zhongxun, Yang Shangkun and Zhu Xuefan attended the meeting.

State Councillor Gu Mu and leading members of the standing committees of the people's congresses of the provinces, municipalities and autonomous regions attended today's meeting as observers.

State Council Restructured

OW240404 Beijing XINHUA Domestic Service in Chinese 1245 GMT 23 Aug 82

[Resolution adopted by the NPC Standing Committee on 23 August 1982 on approving reforms for organs directly under the administration of the State Council]

[Text] Beijing, 23 August (XINHUA) -- The 24th Session of the Standing Committee of the 5th National People's Congress, having examined the plan for carrying out reforms of organs directly under the administration of the State Council, hereby adopts the following resolution:

1. It is approved that the State Council retain the following organs under its direct administration:

State Supplies Bureau, State Commodity Prices Administration, State Statistical Bureau, All-China Federation of Industry and Commerce, General Administration of Customs, Central Meteorological Bureau, Civil Aviation General Administration, State Oceanography Bureau, State Seismological Bureau, China Travel and Tourism Bureau, Committee for Reforming Chinese Written Language, Religious Affairs Bureau, State Archives Bureau, Counsellors Office and Government Offices Administration Bureau.

2. It is approved that the following organs be merged with their related departments and that they cease to be organs directly under the administration of the State Council:

State Bureau for the Administration of the Nonferrous Metals Industry, State Pharmaceutical Administration, General Administration of Exchange Control, Foreign Experts Bureau, Agricultural Bank of China, People's Construction Bank of China, General Administration for Inspection of Import and Export Commodities, and the Mao Zedong Mausoleum Administration Bureau.

Television Coverage

HK240642 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 23 August carries at the beginning of its newscast a 2.5-minute filmed report on the closing session of the 24th Plenary Session of the Standing Committee of the 5th NPC held earlier in the day.

The film opens with a long shot of a large room in which the session is being held. The national emblem of the PRC is hung on the wall, with Vice Chairman Peng Zhen, who presides over the session, sitting directly below it. He is sitting at the head of a long table, with other vice chairmen seated in front of him. Those sitting to his left include Deng Yingchao, Wei Guoqing, Xu Deheng and Hu Juewen, and to his right are Yang Shangkun, Ulanhu, Peng Chong, Xiao Jingguang and Shi Liang.

After a closeup shot of Peng Zhen announcing the meeting open, the camera cuts to session participants raising their hands several times while the announcer enumerates the resolutions, appointments and dismissals approved by the meeting. The filmed report closes with a shot of Foreign Minister Huang Hua shown delivering a report on the negotiations which led to the recent Sino-U.S. communique.

1981 Final State Accounts

OW240004 Beijing XINHUA Domestic Service in Chinese 1130 GMT 23 Aug 82

[Report on the final state accounts for 1981 delivered by Wang Bingqian, minister of finance, at the 24th Session of the 5th NPC Standing Committee in Beijing on 19 August 1982]

[Text] Beijing, 23 Aug (XINHUA) -- Standing Committee members: At the 23d Session of the 5th NPC Standing Committee held in April of this year, we reported to you the preliminarily gathered figures on the final state accounts for 1981. At that meeting, we suggested to the Standing Committee that the final state accounts would be submitted to you for your examination and approval when they were officially compiled. Now the final state accounts for 1981 have been officially compiled. I have been entrusted by the State Council with making the report on the final state accounts for 1981, which I now submit for your examination.

1981 was a year in which China made important progress in its national economic readjustment. It was also the year in which we achieved a basic balance between revenues and expenditures after successive years with fairly large financial deficits. In 1981 all regions and departments, working under the leadership of the CPC Central Committee and the State Council, seriously implemented the principle of making further economic readjustments and achieving further political stability. At the same time, they adopted a series of effective measures for readjustment and reforms in the financial and economic work. As a result of intense efforts made by the people of the whole country in 1981, new advances were made in production, construction and other undertakings. The deficit between state revenues and expenditures was narrowed down to 2.5 billion yuan in 1981 from a deficit of 12.7 billion yuan in 1980, this achieving a basic balance of revenue and expenditures and creating a good beginning for China's finance and economy to **take a fundamental turn for the better.**

According to the officially compiled final state accounts, state revenues in 1981 totaled 108.946 billion yuan, or 103.1 percent of the estimated amount. State expenditures totaled 111.497 billion yuan, or 105.5 percent of the previously estimated amount. Expenditures exceeded revenues by 2.551 billion yuan. Comparing these figures with the preliminary figures presented to the 23d session of this standing committee, the total revenues have increased by 2.516 billion yuan and the total expenditures by 2.527 billion yuan while the deficit basically remains unchanged.

Of the total 1981 revenues, domestic revenues amounted to 101.638 billion yuan, or 104.1 percent of the estimated amount; and income from foreign loans amounted to 7.308 billion yuan, or 91.4 percent of the estimated amount. Of the domestic revenues, those from industrial enterprises totaled 35.368 billion yuan, or 94.7 of the estimated amount; and taxes totaled 62.989 billion yuan, or 108.5 percent of the estimated amount. The overfulfillment of various tax collection plans was primarily due to the increase in tax revenues from consumer goods, the production of which increased quite rapidly in 1981. Moreover, the government improved the management of tax revenues and collected additional revenues by investigating tax evasions and collecting overdue taxes. The revenues from industrial enterprises were below the estimated figures, primarily because the government arranged an additional number of jobs for unemployed youth and thus increased the wage expenditures of industrial enterprises. The increased state subsidies to offset price increases of farm and sideline products also correspondingly reduced some revenues.

Of the total expenditures in 1981, domestic outlays amounted to 104.189 billion yuan, or 106.7 percent of the estimate, and capital construction appropriations drawing on foreign loans amounted to 7.308 billion yuan, or 91.4 percent of the estimate. Of the above-mentioned domestic outlays, appropriations for capital construction amounted to 25.755 billion yuan, or 105.9 percent of the estimate; funds for tapping the potential of existing enterprises and for financing their technical transformation and the trial manufacture of new products totaled 6.53 billion yuan, or 129.8 percent of the estimate; additional allocations of circulating funds totaled 2.284 billion yuan, or 95.2 percent of the estimate; financial aid to people's communes and other agricultural undertakings amounted to 7.368 billion yuan, or 99.4 percent of the estimate; funds for culture, education, public health work and science totaled 17.136 billion yuan, or 107.4 percent of the estimate; expenditures on national defense and preparations against war amounted to 16.797 billion yuan, or 100.8 percent of the estimate; and administrative expenses amounted to 7.088 billion yuan, or 118.7 percent of the estimate.

The 1981 financial estimates have been implemented well, basically achieving a balance between revenues and expenditures. This is a result of the tremendous efforts made by the people of all nationalities throughout the country. During the year, our state finances adopted a number of important measures in coordination with the economic readjustment and reforms. With the concerted efforts by the various areas and departments, marked results were achieved.

First, based on the principle of doing things according to our capabilities, expenditures were cut. Total investment in capital construction for 1981 amounted to 42.8 billion yuan, 11.1 billion yuan less than the 53.9 billion yuan of last year. Investments appropriated directly out of state revenues accounted for 8.8 billion yuan of this reduction. In the course of curtailing the scale of capital construction, the state has suspended projects which lack the necessary conditions for construction or for production after completion, and suspended or postponed overlapping projects which would compete with existing enterprises for raw materials, fuel and power. Funds and materials were thus released for transfer to key projects and projects which can meet urgent production needs. These measures have speeded up those projects and helped balance revenues and expenditures. Besides capital construction investment, expenditures on national defense and preparations against war were also reduced to 16.797 billion yuan, 2.587 billion yuan less than the 19.384 billion yuan of last year. During the year, the PLA, while vigorously strengthening its modernization and regularization programs, put the overall interest first, cut down expenses, shared the difficulties of the state and contributed greatly to balancing revenues and expenditures. Reviewing the financial revenues and expenditures in 1981, it can be seen very clearly that seeking truth from facts and doing things within our capabilities is our principle for handling economic problems. It is a positive principle, and an important principle which must be adhered to under the circumstances of national financial difficulties.

Secondly, we have vigorously developed agriculture and light industry and expanded the production of consumer goods so as to increase revenues. Agriculture is the foundation of the national economy, and consumer goods production provides the basic condition for satisfying the people's daily needs. Agricultural development and expanded consumer goods production not only are conducive to readjusting the economic structure and harmonizing the proportional relations among various sectors, but help ensure market stability and increased revenues. As a result of carrying out the policies for the rural economy formulated by the party and government and of introducing various forms of production responsibility system, plus the fact that the state increased the purchasing prices of agricultural and sideline products, thus increasing the peasants' income, production enthusiasm has been greatly increased among the peasant masses, and the agricultural production situation is getting better and better.

The rural areas now present a thriving scene seldom known for many years. In 1981, despite serious natural disasters, the country's total agricultural output value still increased by 5.7 percent over the previous year. To develop light industry and textile industry production, the state has given it first priority with regard to raw and semifinished materials, power, transport and funds. The output value of the light and textile industry increased by 14.1 percent over the previous year. Therefore, even though heavy industry output dropped temporarily during the year in the course of economic readjustment, owing to the rapid growth of light industry and the textile industry the country's total industrial output value still showed an increase of 4.1 percent over the previous year. In 1981, the sharp growth in the output of goods for everyday consumption not only enlivened the market, brought about economic prosperity and ensured that the everyday needs of the people in town and country were met, but also substantially contributed to reabsorbing currency and to balancing revenues and expenditures. The retail commodity price index in domestic markets increased by 2.4 percent, as compared to 6 percent the previous year.

Thirdly, while cutting other expenditures, the state appropriately increased allocations for culture, education, science and public health work, continued to provide jobs for urban youth awaiting employment and readjusted wages for some of the workers and staff members. As a result, the living standards of people in urban and rural areas continued to improve somewhat. Expenditures on culture, education, public health work and science increased from 15,626 billion yuan in 1980 to 17,136 billion yuan in 1981, an increase of 1.51 billion yuan or 9.7 percent. Operating expenses for education, public health work and science increased by 8.8 percent, 10.1 percent and 23.7 percent respectively, both exceeding the increase in industrial and agricultural production. During the year, the state continued to provide many forms of jobs for urban youth and other people. Adding the university and secondary vocational school graduates' assigned jobs under unified state plans this year, a total of 8.2 million people were assigned jobs. New houses with a total floor surface of more than 97 million square meters were completed in cities and towns, a 5.5 percent increase over the previous year. To solve step by step the wage problem of those working in government offices and scientific, cultural, educational and public health departments where no bonus system is practiced, the wages for middle and primary school teachers, physical culture workers and a section of the medical personnel were increased in the 4th quarter of 1981. Also, it should be mentioned that in the past few years, while raising the purchase prices for agricultural and sideline products, the state in order to stabilize market prices, has all along adopted the method of subsidizing prices for basic necessities that have a direct bearing on the people's life. In 1981, state expenditures for various types of price subsidies amounted to more than 32 billion yuan. Price subsidies for grain, cotton and edible oil and the additional prices paid for above-quota purchases of these commodities, which come directly out of state coffers, totalled 16,309 billion yuan, an increase of 4,351 billion yuan over the previous year. The increased subsidies and expenditures also directly or indirectly benefitted the people in town and countryside.

Fourthly, we have consolidated financial management, strengthened financial supervision and plugged loopholes in various areas. In 1981, the state adopted certain measures to check the various forms of tax evasion and prevent and correct actions violating law and discipline. At the beginning of the year, the State Council issued the "Decision on Balancing Revenues and Expenditures and Enforcing Strict Financial Management." In May, it approved and published the "Circular on Checking Up on Tax Frauds, Evasions and Delinquencies." Later on, it organized numerous financial inspections of enterprises. Under the leadership of party committees and governments at various levels, and through the efforts made during the year, the state of loose financial management and supervision has been rectified to a certain degree. A part of the revenues have been investigated and recovered, and some expenses have been saved. According to reports and statistics from various places, tax payments that were checked and recovered and overdue enterprises profits turned over to the state in 1981 totalled 1.8 billion yuan.

This not only helped straighten out financial and economic discipline and contributed to bringing about a basic balance between revenues and expenditure, but it had a positive bearing on correcting certain unhealthy trends and dealing blows to criminal activities in the economic field.

In one short year of 1981, the state resolutely cut the rather huge deficit, marking a turning point in the state's financial conditions. This is inseparable from the various areas and departments putting the overall interest above everything else, working in concert and shouldering difficulties. During the year, in order to suitably collect the idle capital in society, it was planned to issue 4 to 5 billion yuan in treasury bonds. With the vigorous support from all quarters, 4,866 billion yuan were actually collected. The income from the treasury bonds has, in accordance with the originally determined purpose, been used to make up the 1980 deficits, but it also played a positive role in achieving a basic balance between credit receipts and payments and in controlling the amount of currency in circulation in 1981.

The result of the implementation of the 1981 financial estimates shows: Under the situation of considerable financial difficulties and large scale national economic readjustment, in 1981 a basic balance was achieved between revenues and expenditures, industrial and agriculture production maintained a certain growth rate, market prices remained basically stable, and the people's living standards in urban and rural areas were further improved somewhat. This was not easy. We must consolidate this achievement and further develop and expand the achievement already made in the days to come.

Of course, we must also realize that the basic balance between revenues and expenditures in 1981 was achieved mainly by large cuts in expenditures, and therefore was not solid. The potential dangers in the national economy, though eased, are not yet eradicated. In some localities, departments and units, the situation of serious losses and waste and poor economic returns has not changed much. Owing to loose financial management, there still are quite a number of loopholes. Illegal and criminal economic activities and serious violations of financial and economic discipline have yet to be seriously investigated and handled in some units. This shows that to maintain a basic balance between revenues and expenditures, we still have to do a lot of work from now on and should continue to persist in enhancing our socialist cultural level while promoting our material development. In short, we must continue to solve the existing problems, develop the excellent situation and must not lower our guard.

More than 7 months have passed in 1982. Judging by the implementation of the state budget from January through July, the country's financial and economic situation is continuing to turn for the better. However, there still are problems: Mainly, expenditures which are increasing rather suddenly. In order to continue to maintain a basic balance between revenues and expenditures, the State Council has notified the various areas and departments that they must pay close attention to economic and financial work in the next few months, further developing activities to increase production and practicing economy, focusing on increasing economic results; earnestly perfect ways to acquire, accumulate and use funds; vigorously organize income; strictly control and cut down expenditures; strengthen financial inspection and supervision; resolutely oppose extravagance and waste; and deal blows at criminal activities in the economic field. We believe that although we are still faced with many difficulties, so long as all trades and occupations will conscientiously implement the State Council's various work plans, heighten their spirits, seek truth from facts, unite as one, and pay close attention to work, this year's national budget surely can be successfully followed.

HU YAOBANG MEETS AFP DIRECTOR, REVIEWS POLICIES

OW231700 Beijing XINHUA in English 1502 GMT 23 Aug 82

[Text] Beijing, August 23 (XINHUA) -- Hu Yaobang, chairman of the Central Committee of the Chinese Communist Party, said here this afternoon that China's political situation will remain stable for a long time.

"The political situation of our country will surely remain stable for a comparatively long time," he said at a meeting with an AFP delegation headed by its director-general, Henri Pigeat.

Hu Yaobang said that since the third plenary session of the 11th party Central Committee held in December 1978, the practice has proved that this view has grounds.

He said: "First, the absolute majority of the Chinese people have accepted the necessary lesson from a time of turmoil in the past; and second, our party that leads the country has restored the principle of democratic centralism and realized the principle of collective leadership in the central leading body. The solid organizational system that has been established guarantees that our political situation will continue to be stable for a long time."

On China's economy, Chairman Hu noted that fundamental changes have taken place in the economy of New China in comparison with old China and great changes have happened in the economy in about four years after the third plenary session of the 11th party Central Committee against that in the 12 years before the session.

But, he said, the economy now is still lagging way behind the economically-developed countries. "It will require decades of efforts for our country to enter the ranks of the economically-developed countries," the chairman said.

Chairman Hu said: "We have confidence in building China into a comparatively well-off country before the end of this century. Our plan is to lay a solid foundation before 1990 and the tempo for economic development during the last 10 years of the century will be quicker."

"To obtain the goal," Chairman Hu said, "we should develop agriculture and animal husbandry, train competent personnel and undertake some key construction projects -- mainly energy, transport and communications items. We will continue to follow a policy of opening to the outside world on the basis of equality and mutual benefit."

Hu Yaobang said that China's foreign policy is to maintain independence and keep the initiative in China's hands. "The two basic principles of our foreign policy are: first, to develop friendly relations with all countries in the world, particularly to strengthen unity and cooperation with the Third World countries, on the basis of the five principles of peaceful coexistence; and second, to oppose hegemonism and safeguard world peace. These two principles cannot be separated and are the basic principles of our country," he said.

He said that China is a Third World country and will never seek hegemonism. "China firmly believes in this principle of Marxism, that is, the nation that oppresses another nation does not enjoy freedom," he added.

On Sino-French relations, Hu Yaobang said that the political relations between the two countries are very good. The two sides should make efforts to promote economic and technical cooperation and make the economic relations of the two countries correspond with their political relations.

Hu Yaobang asked Pigeat to convey his best wishes to President Mitterrand and extended an invitation for him to visit China.

Present on the occasion were: Mu Qing, director-general of the XINHUA NEWS AGENCY; Zeng Tao, adviser to the agency; and Charles Malo, French ambassador to China.

The French guests arrived in Beijing August 20. The following day, they were honored at a banquet hosted by Zeng Tao in the Great Hall of the People.

AFP REPORTERS ON INTERVIEW WITH HU YAOBANG

Deng To Give Up CPC Job

OW232016 Hong Kong AFP in English 1942 GMT 23 Aug 82

[By Charles-Antoine de Nerciat]

[Text] Beijing, Aug 23 (AFP) -- Chinese Communist Party Chairman Hu Yaobang indicated today that the upcoming party congress would set up a powerful General Secretariat to be headed by himself and Premier Zhao Ziyang.

Mr Hu also confirmed reports that Deng Xiaoping, the strongman of post-Maoist China, will give up his position as party vice chairman following the congress due to open 1 September.

But the party chief, who made his remarks in a meeting with Henri Pigeat, chairman of AGENCE FRANCE-PRESS, also stressed the stability of the team recruited over the last 2 years by the 78-year-old Mr Deng. He said Mr Deng would continue to play a role in Chinese political life.

Official Chinese sources said that Mr Deng, who bounced back after being sacked twice by Mao Zedong during the 1966-76 Cultural Revolution, would head a new party group, the Committee of Advisers.

Mr Hu said that Mr Deng had taken three steps to remove himself from the frontline of decisionmaking in China and direct input in daily affairs. One was the creation of a party General Secretariat, another was his resignation as party vice chairman and the third was a decision to meet with foreign dignitaries less frequently.

"The work of the General Secretariat is presided over by myself and by Comrade Zhao Ziyang," said Mr Hu, like Premier Zhao a protege of Mr Deng. Mr Zhao is not a member of the current Secretariat, while Mr Hu is its chief while also serving as party chairman. The two men rose to their posts as Mr Deng stripped away over the last 2 years the powers of Hua Guofeng, the man whom Mao Zedong had personally chosen as his successor on the eve of his death in late 1976. Mr Hua gave way to Mr Zhao as head of the government in 1980 and last year lost the chairmanship of the party to Mr Hu, Mr Deng's right hand man.

Mr Hu, officially the top party leader, defined the General Secretariat as a "frontline" body, which would handle all important questions. The Politburo, which wields executive power in the party and is currently composed of 23 members, will be in the "second line," dealing with only those matters which need "a high-level decision."

Vice Premier Wan Li recently indicated to some foreign visitors that the party congress would abolish the posts of party chairman and vice chairmen. There are currently six vice chairmen. In hierarchical order they are: Ye Jianying, Mr Deng, Mr Zhao, Li Xiannian, Chen Yun and Hua Guofeng.

Mr Wan also indicated that Mr Deng would sit on the party's Committee of Advisers, a body for aging Chinese leaders that will be set up with adoption by the congress of a new party constitution.

During his talks with Mr Pigeat, Mr Hu heaped lavish praise on Mr Deng, saying that among the major Chinese leaders he was "the most experienced, the most renowned and the one who makes the largest number of decisions."

Comments on CPC Congress

OW231908 Hong Kong AFP in English 1844 GMT 24 Aug 82

[By Charles Antoine de Nerchat]

[Text] Beijing, Aug 23 (AFP) -- The chairman of the Chinese Communist Party, Hu Yaobang, said today he was virtually certain of a long period of stability in China that should reassure the country's economic partners. "China will know a very stable political situation until the end of the century. I am not 100 per cent sure of it, but at least 90 percent," he told a delegation from AGENCE FRANCE-PRESSE headed by AFP chairman Henri Pigeat.

Mr Hu said that Deng Xiaoping, party vice chairman and the strongman of post-Maoist China, had put himself in the "second line" of the administration, no longer following day-to-day matters and making only major decisions.

During the exclusive 2-hour interview, Mr Hu said that Chinese stability was anchored in two "foundations." One, he said, was the fact that "we have drawn the necessary lessons of history," and the other was the guiding role of the party with the return to "democratic centralism and a system of collegial management."

Mr Hu said that these guiding principles were not respected by Mao Zedong during the Cultural Revolution of 1966-76 or by his immediate successor, Hua Guofeng, party chairman from 1976 to 1978.

Mr Hu had lavish praise for Mr Deng, the most important victim of the Cultural Revolution still around. He said that among the top Chinese leaders, Mr Deng was "the most experienced, the most renowned, and the one who takes the largest number of decisions."

Here are the major points made by Mr Hu in the interview, his first with Western journalists, in the Great Hall of the People, the seat of the national people's assembly or Chinese parliament:

Communist Party Congress

The structure to be set up by the congress scheduled to open 1 September will divide responsibilities between the General Secretariat "in the first line" and the Politburo "in the second line," Mr Hu said. He said he and Premier Zhao Ziyang preside over the Secretariat's work.

Leftist Opposition

Mr Hu said that the influence of the supporters of the Cultural Revolution's leftist regime had been eliminated "for the most part" as only "one or two people in 10,000 perhaps still believe in these ideas."

Economy

Mr Hu estimated that the per capita income in China could reach about \$1,000 a year by the end of the century as opposed to the current \$300.

He defined two phases for the development of China's economy: "Laying down solid bases" until 1990 and then an acceleration in the growth rate in the following decade.

The Soviet Union

Mr Hu once more emphasized China's determination to "fight hegemonism to safeguard world peace," pointing out that in Beijing's eyes the conditions necessary for a Sino-Soviet normalization have not yet been fulfilled. Recalling that the Soviet Union had made a series of overtures to China, Mr Hu said: "But what really matters is not words but action."

He said that there were three problems regarding the Soviet Union. "The Soviet Union supports Vietnam in its aggression against Kampuchea (Cambodia), is occupying Afghanistan, and has amassed more than a million men on the Chinese border, with bombers and missiles.

"If these three problems are resolved, we are ready to have neighbourly relations," Mr Hu said.

The United States

Mr Hu expressed his satisfaction at the recently concluded Sino-American agreement on U.S. arms sales to Taiwan, describing it as "a good thing".

"But," he added, "there is still a cloud over our relations." He renewed China's condemnation of the "Taiwan Relations Act" defining Washington's non-official relations with Taipei. He repeated that Beijing, which claims sovereignty over the Nationalist-ruled island of Taiwan, sees the act as an interference in China's internal affairs.

France

On the subject of Sino-French relations, Chairman Hu said that China was ready to buy "Mirage" fighters from France and to establish joint production of the plans.

Mr Hu expressed his satisfaction at the warm political relations between France and China, but regretted that economic exchanges were not as developed. "Your technology is among the world's most advanced," he added. "But your prices are a little too high."

Asked about the possibility of France constructing a nuclear power station in Guangdong Province, which borders on Hong Kong, Mr Hu said: "All this must take place under advantageous conditions. It is only in this way that a decision can be taken."

Nuclear Power Program

OW231748 Hong Kong AFP in English 1722 GMT 23 Aug 82

[Text] Beijing, Aug 23 (AFP) -- China's nuclear program provides for the production of more than 10 million kilowatts in 10 to 20 years' time, Chinese Communist Party Chairman Hu Yaobang told AGENCE FRANCE-PRESSE here today.

Besides the power stations that will be built using purely Chinese technology, China, he said, intends to "import stations of several hundred thousand, even 2 million to 3 million kilowatts, but only under favorable conditions."

Mr Hu said that the Chinese technology stations, "which we want to build ourselves," will produce about 300,000 kilowatts.

China announced last week that the first station will be built near Shanghai.

Mr Hu's remarks were seen here as indicating that stations producing more than 1 million kilowatts will be undertaken with foreign technology only if the conditions of financing -- prices and credits -- represent a good bargain for China. The most advanced talks in this area concern a pressurised water reactor in Guangdong Province, near Hong Kong. For the Guangdong station, which should produce about 1.8 million kilowatts, France and the United States are in the running. Part of the cash might come from Hong Kong, which would take a considerable part of the electricity produced.

A French Government mission has just been to Beijing to discuss the problem. It arrived today in Hong Kong to continue contacts. Meanwhile, Hong Kong Governor Sir Edward Youde has just been to Guangzhou, and Guangdong Province Governor Liu Tianfu will be visiting Hong Kong next week.

Mr Hu said the green light for the Chinese nuclear program was not given without arousing "considerable controversy." His statement today was the most precise to date on the major outline of the Chinese nuclear program, observers said.

The controversy stemmed from the fact that some Chinese leaders queried whether nuclear stations were needed in a country that has not exhausted other forms of energy, like coal and hydroelectricity.

Hu Predicts Stability

OW240537 Hong Kong AFP in English 0440 GMT 24 Aug 82

[By Jean Huteau]

[Text] Beijing, Aug 24 (AFP) -- Quick, resolute and lively, Chinese Communist Party Chairman Hu Yaobang chain-smoked "Panda" cigarettes as he spoke with confidence about China and the world.

He talked of "mountains of problems high as Qomolangma" -- which Western maps call Everest. But this 67-year-old veteran of the Long March showed no signs of the heavy strain during an interview yesterday at the Great Hall of the People in the heart of Beijing.

For two hours, the small and perpetually moving Mr Hu painted an impressive fresco of China's prospects for the end of the century and the "Middle Kingdom's" place on the world chessboard.

The interview with Henri Pigeat, chairman of AGENCE FRANCE-PRESSE, and two AFP journalists, was the first time Mr Hu had ever spoken to the Western press as China's leader.

Officially the top leader in China, Mr Hu is above all the right hand man of Deng Xiaoping, party vice chairman and the real power in post-Maoist China. The two have worked together for more than 40 years.

Mr Hu wasted no time in turning the interview into an exposition of the broad outlines of Chinese policy. "Vice Chairman Deng Xiaoping should have met you today, but he asked me to do it in his place. It's one of the steps he has taken to move to the second line," he said.

He came right to the heart of the question of the moment: Where was China going? Was it about to suffer another stormy transition of power with the eclipse -- or withdrawal to the "second line" -- of Mr Deng?

No, insisted Mr Hu, sometimes playfully, sometimes in solemn tones bordering on indignation. On the contrary, he predicted a long period of stability ahead, a period to inspire confidence in China.

A shrewd veteran of Chinese politics, trained at the revolutionary army's school for political commissars and hardened by years of work in the ranks of the Young Communists, Mr Hu sketched his vision of the world with the broad strokes of a great statesman.

He saw historic cycles: 30 years of stability while the party was under collegial management, then a dozen years of instability 1965 to 1978 when Chairman Mao Zedong and his protege Hua Guofeng deviated from the scheme.

But might China someday return to the bloody, turbulent years of the 1966-76 Cultural Revolution? No, insisted Mr Hu, like Mr Deng sacked by Mao during this period of semi-civil war. The influence the leftists have in China today was negligible, he said.

To drive home his points, Mr Hu occasionally rose. He punctuated his sentences with sweeping gestures. With the weather-beaten look of a man of the land, he mixed comments on the development of animal husbandry in a rural area of the Sino-Soviet border he visited with observations on Soviet hegemonism.

Mr Hu was frank about China's development: it was behind schedule. But he quickly added hopes for the country's growth.

Fixing his guests with an intent look, sizing up their reactions and trying to win them over, Mr Hu appeared to be a man in full control, brimming with confidence and sure of his power.

RENMIN RIBAO CALLS FOR STRICT POPULATION CONTROL

HK230830 Beijing RENMIN RIBAO in Chinese 23 Aug 82 pp 1, 2

[Editorial: "Strictly Control Population Growth"]

[Text] Last February the CPC Central Committee and State Council issued instructions on further promoting planned parenthood work pointing out that the issue of controlling China's population growth is a major strategic question in the country's socialist modernization drive and demanding that the party committees and government at all levels strengthen leadership over planned parenthood. The whole country has seriously implemented these central instructions in the past half year. The party and CYL members, cadres, workers and commune members have enthusiastically responded to the call for "each couple to have only one child," and new achievements have been scored in planned parenthood work.

At present more than 15 million couples have taken out single child certificates, and more than 100 million couples of child-bearing age have spontaneously taken comprehensive contraception measures and have practiced birth control. According to statistics for the first half of the year, 60 percent of babies born were firstborn, 4 percent more than in the same period last year, while the percentage of those who were not firstborn declined. So long as we continue to get a tight grasp of this work in the second half of the year, it is estimated that the country will fulfill the year's population plan. Under the current circumstances of a large increase in the number of newlyweds and nearing a peak in the population, the fact that such outstanding success has been scored in planned parenthood work fully demonstrated the efficacy of the central instructions and expresses the socialist awareness of the people of the country in spontaneously marrying later and having fewer children for the sake of accomplishing the "four modernizations."

Of course, we also see that there are still many problems and difficulties in planned parenthood work. Our country's planned parenthood work is being carried out in a situation where there is a national population of 1 billion, 800 million of whom are peasants. Since the rural areas instituted various types of the production responsibility system, a number of peasants have had a greater desire to have more children in the wake of a better economic life. Several thousand years of tradition and habit have brought about such thinking as "many sons mean much happiness," carrying on the family line, the mentality of regarding men as superior to women, and the currently existing problem of raising children as insurance against old age, are hampering the in-depth development of planned parenthood work. China's base population figure is high, the population is on the young side, and population growth has been rapid. These characteristics determine the urgency for and the long-term and arduous nature of planned parenthood work. According to statistics, 63 percent of the population was born since liberation, and 240 million young couples will have entered marriage and child-bearing age by the end of the century. The population peak starting now will last for more than 10 years; even if population plan demands are met, with the average population growth falling to 13 per 1,000 and the single-child rate rising to 58 percent during the Sixth 5-Year Plan, and with the average population growth falling to 11 per 1,000, the single-child rate increasing to 63 percent and the percentage of babies who are more than second-born falling to below 5 percent during the Seventh 5-Year Plan, there will still be about 19 million births a year before 1990. If there is the slightest relaxation, the population will grow still more. This is bound to hamper the development of the national economy and the improvement of people's standards of living. It will also hamper the development of education and public health and adversely affect the improvement of population quality.

We must be circumspect and far-sighted and soberly perceive the serious population problem facing the country. At present certain comrades still lack sufficient understanding of the urgency of controlling population growth and have failed to effectively grasp the work. A few people are even apathetic about this major national strategy and attach no importance to it. As a result, population growth has gone out of control in some places. We hope that these comrades will bring their thinking into line with the spirit of the central instructions, attach a high degree of importance to the major strategic issue of population control, and get a thoroughly good grasp of this work.

Population control is a basic national strategy and a long-term strategic plan. We must ensure that the accomplishment of the target for population does not exceed 1.2 billion by the end of the century, as stipulated in the "government work report" approved by the 4th Session of the 5th NPC. We must continue to carry out the policy of "restricting population numbers and improving its quality," and persistently advocate late marriages and later, fewer and better quality births. In particular, we must continue to advocate everywhere that "each couple should have only one child." Although some people still do not understand this demand, so long as we do our work well, they will gradually come to understand it. We must get a firm and tight grasp on this work, carry it out in a painstaking, deep-going and penetrating way, properly solve certain problems arising from this policy and prevent and correct violations of policy, law and discipline.

Propaganda and education work is the basic work for promoting planned parenthood, and must be put in the primary position. The propaganda, media, cultural, arts, educational and public health departments and such bodies as the women's federations, trade unions and CYL must use all propaganda means and forms to carry out extensive, deep-going and ceaseless propaganda and education for the masses. Some places have succeeded in "taking three items as the main things" in planned parenthood propaganda work (taking propaganda and education as the main thing, such as between propaganda and education and economic measures; taking contraception as the main thing, such as between contraception and induced abortion; and taking regular work as the main thing, such as between regular work and shock work); and in propaganda and education they have "popularized three things" (population theory, contraceptive knowledge and eugenics knowledge). These are very good experiences that merit summing up and popularizing. By carrying out sustained and effective propaganda and education, we must ensure that every household and person knows about and understands this matter. In this way planned parenthood will truly become the spontaneous action of the masses.

The rural areas are the main target of planned parenthood work, and work there must be grasped well. At present, while summing up and perfecting the agricultural production responsibility systems, we must pay particular attention to setting up various types of planned parenthood responsibility systems and putting them on a sound basis, so that planned parenthood work will better suit the new situation following the institution of the agricultural production responsibility systems. At present, some places have instituted a "dual responsibility contract system" for production and planned parenthood and have truly implemented planned parenthood and contraceptive measures for each household and person; and some places have listed planned parenthood work as an important content of the grassroot cadre job responsibility systems, thus fully mobilizing the enthusiasm of the rural commune and brigade cadres to do a good job in planned parenthood work. These experiences should be summed up and popularized.

In order to further promote planned parenthood work, the localities throughout the country should also tackle the work of formulating and implementing their own population plans in accordance with the population policy laid down by the state and the population plan for the Sixth 5-Year Plan. These plans should be linked to local conditions and be specified so that they will be able to effectively control population and will also be practical.

It is necessary to step up scientific research and technical guidance, do a good job in producing and supplying contraceptive drugs and devices, improve the quality of surgery and ensure the safety of those who undergo operations. The public health and scientific research departments must also step up research and popularization of eugenics, and organize as soon as possible eugenics consultative services and premarriage and prenatal examinations so that all of our next generation may be more healthy and clever.

Planned parenthood work is a great cause benefiting the country and people and bringing happiness to our descendants. The millions of comrades taking direct or indirect part in this work throughout the country have made very great efforts. Many party and CYL members and cadres have played a model role in planned parenthood and set examples for the masses. We wish that comrades throughout the country would consolidate and develop the achievements and overcome the difficulties, and that, under the leadership of the CPC Central Committee and State Council, they will unite the people of the whole country to make new contributions in fulfilling the great task of controlling population growth, for the sake of accomplishing the "four modernizations" and revitalizing China.

NATIONAL FAMILY PLANNING CONFERENCE ENDS 16 AUG

OW192146 Beijing Domestic Service in Mandarin 1200 GMT 16 Aug 82

[Text] A national family planning conference was held in Beijing from 10 to 16 August. Wang Shoudao, vice chairman of the CPPCC National Committee and chairman of the China Family Planning Association, delivered an opening speech. Qian Xinzong, minister in charge of the State Family Planning Commission, made a work report.

Qian Xinzong said: We must strictly control the population growth and promote one child families in order to ensure the success of economic construction, our central task, and compatibility between economic and social development and population growth.

At conference meetings, representatives carefully reviewed how the central authorities' instructions had been implemented in all locations, analyzed the current family planning situation, summarized and exchanged personal experiences, studied the population plan and envisaged the population situation in the year 2000.

At the closing session on 16 August, Wang Hei, vice minister in charge of the State Family Planning Commission, spoke. He pointed out that family planning work is a major task having great bearing on the outcome of our socialist construction and a task that involves all families. Ideological work must be conducted again and again among all families and individuals. He said: What we are doing today is foundation work for our posterity to benefit a myriad of generations to come. As long as we are united and use proper methods, our task will certainly be accomplished.

DENG YINGCHAO ARTICLE COMMEMORATES HE XIANGNING

OW231247 Beijing XINHUA Domestic Service in Chinese 0141 GMT 22 Aug 82

[Article by Deng Yingchao dated 16 August 1982: "Chinese Revolutionary Forerunner and Outstanding Woman Revolutionary -- Commemorating 10th Anniversary of Death of Comrade He Xiangning"]

[Text] Beijing, 22 Aug (XINHUA) -- He Xiangning is a name which radiates patriotic and revolutionary glory. Mentioning and thinking about her always evoke my deep memories of, and high respect for, her. Her name and life are closely connected with the course from China's old democratic revolution to its new democratic revolution, and its progress in socialist revolution and construction. She was among the first group of the Tong Meng Hui of China, organized by Dr Sun Yat-sen in 1905. Since they had formed their close relationship as husband and wife, she and her husband, Mr Liao Zhongkai, a great man who dedicated himself to the Chinese revolution, began their life as revolutionary comrades-in-arms in a joint struggle.

She was born to a rich family, but she generously offered everything to the revolution, including all her personal savings and dowry. Just like the course of the Chinese revolution, she suffered many setbacks in her life. However, she feared no difficulties or hardships, paid no attention to personal gain or loss, and courageously fought for more than half a century in order to save China and promote the revolution.

After the Kuomintang held its first national congress, reorganized itself and began KMT-CPC cooperation in 1924, she and Mr Liao Zhongkai became fighters faithfully and firmly implementing Sun Yat-sen's three new principles of the people and his three major policies. Therefore, they were hated by the Kuomintang rightists and the imperialists. When they were on their way to attend a Kuomintang standing committee meeting at the Kuomintang rightists and the imperialists. When they were on their way to attend a Kuomintang standing committee meeting at the Kuomintang central headquarters on the morning of 20 August 1925, Mr Liao Zhongkai was assassinated on the steps at the entrance to the central headquarters by an assassin jointly hired by the imperialists and the counterrevolutionary rightists of the Kuomintang. Mr Liao's death caused irreparable loss to KMT-CPC cooperation when the revolution was being carried forward.

After hearing the news, I immediately rushed to the KMT central headquarters to express my condolences to our respected revolutionary forerunner He Xiangning, and tightly held her hand. She proved herself to be a strong revolutionary fighter. When I saw her, she did not abandon herself to grief. Filled with tears and imbued with anger and hatred, she was indignantly and bitterly condemning the murderer's atrocity. After that, I accompanied her in escorting Mr Liao's bier to Guangzhou to bury it to the left of Mr Zhu Zhexin's grave. (Now at Simagang, Guangzhou).

Not long after that, I and other comrades such as Gai Chang, Ou Mengjue and Gao Tianbo (who bravely sacrificed herself in the 30's) had the honor of joining the women's liberation movement under her leadership at Guangzhou, where the revolution started in Guangdong, and established a close work relationship and revolutionary friendship with her. When the northern expeditionary force entered Wuhan in 1926, the KMT central headquarters and the national government moved to Wuhan. Due to the needs of the revolution and her work, she also passed through many places and arrived in Wuhan. In April 1927, Chiang Kai-shek betrayed the revolution, and split with the Communist Party. He himself set up party and government organizations in Nanjing to oppose the KMT central authorities in Wuhan. Due to major setbacks of the revolution, I too arrived in Wuhan in the summer of 1927, after repeatedly suffering crises. The happiness and comfort to meet and see her after a separation of more than a year left me with an unforgettable impression. In July of the same year, Wang Jingwei worked hand in glove with Chiang Kai-shek. The "leftists" in Wuhan, led by Wang Jingwei, betrayed the revolution one after another, revolted against Sun Yat-sen's three new principles of the people and his three major policies, and split from the Communist Party.

At such a crucial moment during the revolution, woman revolutionary He Xiangning had shown a clear-cut revolutionary stand and resolutely made a clear break with Wang, Chiang and others. She left her post and went to Europe, where she led her life in exile as a tourist. However, she remained active as a staunch fighter and continued to carry out revolutionary activities abroad. After the "18 September" incident, she resolutely returned to China. Working shoulder to shoulder with Comrade Soong Ching Ling and all the anti-Japanese army men and people in the whole country, she dedicated herself to the movement against Japanese aggression and for national salvation. Together with Liu Yazhi, Chen Shuren and Jing Hengyi, she painted and wrote poems as sustenance for her feelings. She sold her works to raise funds in support of the war of resistance against Japanese aggression, while waging unremitting struggle.

The CPC Central Committee put forward a proposal in 1933 to suspend the civil war and call for joint efforts to deal with foreign aggression. In 1935 it again issued a call to establish a national united front against Japan. She and Comrade Soong Ching Ling got in touch with staunch KMT leftists in Shanghai, took the lead in responding to the call and made unremitting efforts to carry it out.

After invading and occupying China's northeast area in 1931, Japanese imperialists again intruded into north China in July 1937, attacked the Lugou Bridge with artillery fire and provoked the "7 July" incident. At that time, the CPC had joined efforts with the KMT, and the 8th Route Army and other anti-Japanese troops rose, one after another, to resist the Japanese army. The Japanese army of aggression directed its artillery fire on Shanghai on "13 August." Under the iron heel of the Japanese bandits, Shanghai had entered the state of war. Patriot He Xiangning immediately organized women from all walks of life to resist Japanese aggression, set up women's organizations to extend greetings to the officers and men who fought in self-defense, and vigorously supported various activities to provide supplies and medicine for the army.

After Shanghai was engulfed in the flames of war, she was forced to move to Hong Kong, where she still organized women from all walks of life to hold meetings in support of the officers and men who were fighting the Japanese on the battle front, to carry out propaganda work and gather large amounts of supplies in support of those at the front.

I arrived in Hong Kong in the fall of 1938. I was very happy to meet her after we had been separated for 11 years. She led me to participate in various activities of women from all walks of life in Hong Kong and to carry out my work. She showed great concern for our party, for supplies for our army and over other major issues of state, such as the development of the national united front against Japanese aggression. She persistently carried out her work until the war in the Pacific broke out. Only then was she forced to leave Hong Kong. She first arrived in Dongjiang, Guangdong Province, went to several places and finally reached Guilin. Under artillery fire from the Japanese bandits in their war of aggression, she experienced many difficulties and obstacles, and led a rough, homeless life. Although she was already over 60 years old at the time, she was still full of lofty sentiments and aspirations, and highly enthusiastic in writing poems. The following are three poems which she wrote during the war of resistance against Japanese aggression:

Thoughts on the Trip Back to East Guangdong After the Fall of Hong Kong (written in 1942).

We have to leave for Haifeng after running out of food and water. However, we dare to pluck up courage to race against time. We may be blamed for the lack of time, but we would like to leave behind us the spirit which can be brought into full play by the next generation.

Thoughts on My Trip to Guilin After the Fall of Hong Kong (written in 1943).

My mind is more determined than ever, as I have to travel 10,000 li without a home. I do not want to be captured and insulted. I would rather die if our territories are not recovered. I must courageously forge ahead like a boat sailing against the current, or I will be driven back.

Thoughts on a Boat Trip to Guangxi To Avoid Calamity Caused by the Japanese (written in 1943).

War clouds are hovering over China. How can we not hate it when our country is in distress and our homes are in ruins? We only hope that our army men and people join their efforts to defeat the enemy. We would feel fine even if we were homeless in a worn-out boat.

Her poems vividly describe her character and aspirations. Full of power and grandeur, they tell of her unflinching fighting spirit and lofty patriotic and revolutionary sentiments. When I reread these poems today, I am still immensely inspired and deeply touched.

When she arrived in Guilin, her son Liao Chengzhi had already been arrested by Chiang Kai-shek and was put behind bars in Jiangxi. For fear that she might come to Chongqing and make a scene there, Chiang and his men used both hard and soft tactics on her. Through her daughter, Comrade Liao Mengxing, they tried to dissuade her from going to Chongqing, and said such things as Chongqing was under heavy bombardment from enemy planes. They did not understand how this female revolutionary hated the acts of Sun Yat-sen's turncoats. She simply did not intend to go to where the Chiang family had established its small dynasty. She not only did not expect to obtain, but also flatly rejected, Chiang's so-called economic assistance. Instead, she chose to stay in Guilin and earn her living by selling paintings. She really proved herself to be a staunch fighter with revolutionary integrity. Only after Peiping was liberated in 1949 did she journey there by sea and by land. When we went to visit her -- although some of us were total strangers to her -- her ecstasy of delight could hardly be described in words. From then on, she settled in Beijing. Later, she attended the first CPPCC meeting and was elected as member of the Central People's Government and concurrently head of the Commission of Overseas Chinese Affairs of the government Administration Council. She won the people's respect for her efforts to mobilize patriotic overseas Chinese to support national construction and her concern for overseas Chinese rights and interests. Later, she was also elected vice chairman of the NPC Standing Committee, vice chairman of the CPPCC National Committee and chairman of the Central Committee of the Revolutionary Committee of the KMT; and she made great contributions in all respects.

Because of advanced age and physical weakness during her remaining years, her activities were somewhat limited. But she insisted on working and would paint a couple of hours every day. She was not only a revolutionary, but was also a painter with outstanding artistic talent. She was also a poet whose poems were mostly the expression of her patriotic and revolutionary zeal. She also wrote beautifully, but one could never detect any trace of femininity in the bold and strong brush strokes of her calligraphic works.

While in Beijing, comrades of the party Central Committee, Comrade Cai Chang, comrades of the National Women's Federation and I frequently visited her and consulted and exchanged opinions with her on state affairs, and each time she received us happily, cordially and warmly. Comrade Cai Chang and I cannot remember when we stopped calling her teacher and called her mother instead. But she also highly respected us and called us elder sisters. Such intimate revolutionary friendship established in the course of several decades can hardly be forgotten.

She painted Chinese paintings and was particularly good at painting lions and tigers. She said that Chinese people of all nationalities should wake up like an awakening lion and should be as dauntless as a tiger. She also loved to paint pines, bamboo and plum trees, which are known as the trio in winter because of their common capability of defying the bitter cold. Occasionally, she also painted chrysanthemums of all descriptions. All her paintings symbolized her revolutionary will and noble sentiments and integrity.

Over the past 50 years, female revolutionary He Xiangning served as the CPC's closest comrade in arms. She loved the CPC ardently and supported its policies, and she warmly loved the people and socialism. She paid particular attention to women and the women's liberation movement. Her stand was firm and she remained firm until she died. She really proved herself to be the banner and example of the KMT leftists.

During the tumultuous decade, she was also indirectly affected. Although she was displeased by what was happening, she was never pessimistic about the revolutionary cause. From this, we can see her broadmindedness and her firm conviction in the CPC and China's revolutionary cause.

When she became old and seriously ill, she was hospitalized. One day Comrade Cai Chang and I went to visit her and saw she was reading intently by her bedside lamp with a pair of reading glasses. We called her and interrupted her reading. When she saw us, she was very pleased and began to talk to us. When we asked what she was reading, she replied that she was reading the "Historical Annals" and would finish a chapter each day. As this example shows, she never stopped studying, even when she was old.

On 1 September 1972, she left us and passed away because of old age and protracted illness. When she was dying, the leading comrades of the party Central Committee, who visited her, told her that her wish of lying together with Liao Zhongkai in the same tomb would be fulfilled. This comforted her a great deal.

In early September 1972, representatives of the CPC Central Committee, Central Committee of the Revolutionary Committee of the KMT, her children, grandchildren and I escorted her casket to Liao Zhongkai's tomb near the Sun Yat-sen Mausoleum in Nanjing. She and Liao Zhongkai were a model couple of revolutionaries of the older generation. She proved herself to be an "exceptional woman" as Zongkai had praised her in the early years! With deep grief and highest respect, we bid her farewell before her tomb and that of Zhongkai. I said silently in my heart:

Eternal glory to you, He Xiangning, a revolutionary precursor of China and an exceptional female revolutionary!

MONUMENT TO LIAO ZHONGKAI REBUILT IN GUANGZHOU

OW201720 Beijing XINHUA in English 1634 GMT 20 Aug 82

[Text] Guangzhou, August 20 (XINHUA) -- A ceremony unveiling the newly rebuilt monument to Liao Zhongkai, who died at the hands of the right wing of the Kuomintang August 20, 1925, was held here this afternoon.

Liao was assassinated in front of the former headquarters of the Kuomintang Central Committee, and the following year, a monument to him was erected at the site by the third national labor meeting of the Communist Party. However, the monument was badly damaged during the "Cultural Revolution".

The new monument bears an inscription by Ye Jianying, chairman of the Standing Committee of the National People's Congress.

More than 100 people attended today's ceremony, among them being provincial and city government leaders, leaders of the city committee of the Chinese People's Political Consultative Conference, democratic parties and relatives of Liao.

Liang Lingguang, Guangzhou mayor, addressed the ceremony, saying today is the 50th anniversary of the death of Liao Zhongkai. "He was a democratic revolutionary," he said. "In his early years he took part in the overthrow of the Qing Dynasty. Under the leadership of Dr Sun Yat-sen, founder of the Kuomintang, in the early 1920s and influenced by the Chinese Communist Party, Liao helped Sun to reorganize the Kuomintang Party. He promoted the first cooperation in 1924-27 between the Kuomintang and the Communist Party. After Sun Yat-sen's death, Liao Zhongkai dedicated himself to Sun's unfinished cause."

FILM OF LATE KUOMINTANG STATESMAN LIAO ZHONGKAI

OW201234 Beijing XINHUA in English 1212 GMT 20 Aug 82

[Text] Guangzhou, August 20 (XINHUA) -- Shooting of a wide screen color film is to begin late this month by the Zhujiang Film Studio based here to mark the 57th anniversary of the death of Liao Zhongkai, a Kuomintang statesman during the Chinese democratic revolution.

A documentary reviewing the revolutionary activities of his wife He Xiangning will be screened on the occasion of the tenth anniversary of her death, which falls on September 1.

Liao Zhongkai was one of the earliest members of the Tong Meng Hui (the Chinese Revolutionary League) set up in 1905 by Sun Yat-sen, founder of Kuomintang. He made great contributions in promoting the first cooperation between Kuomintang and the Communist Party of China between 1924 and 1927. He was also one of Sun Yat-sen's main supporters and assistants in reorganizing Kuomintang in 1923. After the death of Sun Yat-sen in March 1925, Liao Zhongkai became the rallying banner of the left wing of Kuomintang. On August 20, 1925, he was assassinated by the right wing of Kuomintang.

The new film will mainly deal with Liao Zhongkai and his wife He Xiangning following Sun Yat-sen in the democratic revolution and supporting Sun Yat-sen in putting forward the three great policies of alliance with Soviet Russia, cooperation with the Chinese Communist Party and assistance to the peasants and workers.

The film will be directed by Tang Xiaodan.

ENGINEERING CONSULTING GROUP INAUGURATED

OW240209 Beijing XINHUA in English 1537 GMT 23 Aug 82

[Text] Beijing, Aug 23 (XINHUA) -- The China International Engineering Consulting Corporation (C.I.E.C.C.), was set up in Beijing here today.

The corporation is a national authoritative organization composed of seventeen existing Chinese professional engineering consulting corporations. It is an independent enterprise with the capacity of legal status and strictly observing the principle of impartiality.

The corporation provides engineering consulting services of various kinds for engineering projects of international organizations, foreign and Chinese government organs, economic entities, financial groups, enterprises or individuals. The services include designing of engineering projects, feasibility studies, techno-economical evaluation, personnel training, production and management.

The corporation has a large number of competent and experienced experts, engineers and economists of various disciplines who have provided planning, designing and technical services.

The Beijing-based corporation conducts business activities in accordance with the relevant law and decrees of the People's Republic of China and conventional international practices in consulting services.

The seventeen professional engineering consulting corporations provide a wide scope of services, ranging from iron and steel industry, non-ferrous metallurgical industry, chemical industry, coal industry, machine-building industry, power industry, timber industry, refrigeration industry, light industry and aeronautical industry, to highway transport and building industry.

At today's meeting to proclaim the setting up of the corporation, Peng Min, vice-minister of the State Economic Commission, was elected honorary chairman, and Xue Baoding, director of the China Urban and Rural Construction Economic Research Institute, was elected chairman, of the board of directors of the corporation. Li Yunje was elected general manager of the corporation.

The corporation engaged Ma Hong, president of the Chinese Academy of Social Sciences, and Xue Muqiao, a leading member of the Economic Research Center of the State Council and a noted economist, as advisors to the corporation.

State Councillor Bo Yibo also attended today's inaugural meeting.

CHINA DAILY Report

HK210328 Beijing CHINA DAILY in English 21 Aug 82 p 2

[By CHINA DAILY reporter]

[Text] China will establish its first international construction consultants' firm this month to meet China's construction needs, using foreign investments but giving full play to its own technicians and engineers.

In a press briefing yesterday, Li Yunjie, one of the sponsors of the new corporation, announced that the opening ceremony will be held on August 23, at which the chairman of the board of directors will be elected and a general manager named.

Li said China International Construction Consultants, Inc. (CICCI) will be joint enterprise, made up of 17 already existing consultatns' companies. It will carry out assignments from government departments, economic enterprises, financial and social groups or individuals at home or abroad.

It will advise them on construction projects and production managements and make economic evaluations and provide them with construction planning and personnel training programmes.

CICCI boasts more than 6,000 experts and qualified technicians in various fields, ranging from architecture and geology to highway construction.

During its preparation period, the corporation has established extensive and fruitful relationship with the outside world. In the past two years, many technicians have done research on the construction consultants' business in the United Kingdom, France, West Germany, Japan, and the United States. Now 33 technicians from the corporation are participating in training programmes in the United Kingdom and the United States.

The exchange goes both ways. Since 1979, the British consultants bureau and the American advisers' and engineers' council have visited Beijing and conducted seminars. In 1981, experts from the United Nations came to Beijing to give lectures.

"While the outside world has nearly 30 years in the consultant business," Li said, "China began to turn its attention to it only in 1979, after it had hastily signed an agreement to import 22 complete sets of equipment -- an agreement which turned out to be unrealistic."

This mistake drew China's attention to the urgency of establishing consultants' companies to carry out thorough investigations.

Since 1979, 11 enterprises have established their own consultants' companies, one after another. Now under the sponsorship of these companies, the joint corporation is going to appear.

"The establishment of CICCI is an indication that China's consultants' business is entering a new stage," Li said.

WAN LI ON PROTECTING, DEVELOPING RESOURCES

OW240223 Beijing XINHUA in English 1639 GMT 23 Aug 82

[Text] Beijing, August 23 (XINHUA) -- Vice-Premier Wan Li has called for "unremitting efforts" to do a still better job of protecting and developing China's land and sea resources, saying that this constitutes a "basic national policy."

"Through the unremitting efforts by the present and the next generations," he said on August 21 while receiving participants in a national work conference on water and soil conservation, "still better surroundings will be created for the Chinese people in their production and life."

The conference was held from August 16 to 22.

In the course of restructuring the state administrative organs, he said, China set up a Ministry of Urban and Rural Construction and Environmental Protection under the State Council, a territorial bureau under the State Economic Commission, and reorganized the Ministry of Geology and Minerals to strengthen the protection and utilization of mineral resources. The work of the National Bureau of Oceanography was strengthened. These steps showed the great importance attached by the state to the utilization and development of the country's land and sea resources, he said.

Water, soil, biological, mineral, oceanographic and other resources are the "fundamental conditions" for China's modernization, Wan Li said. Work must be done to change the situation in which such resources are misused due to a lack of understanding on the part of some departments and local authorities.

Vice-Premier Wan Li pointed to the necessity of publicizing the importance of protecting the country's resources and environment and educating the entire population about it. "From now on this must be written down in primary and middle school textbooks so that the younger generation may get to know its importance from childhood," he said.

Leaders of all levels, he said, must take the lead in acquiring through study knowledge on protection and utilization of resources. Without such knowledge, they are unqualified for directing China's modernization effort.

He called upon all government departments to work out as soon as possible national and regional plans for the utilization and development of China's land and sea resources and the protection of its environment.

EDITORIAL WANTS 'UNDERSTANDING' PEOPLE AS LEADERS

HK230800 Beijing RENMIN RIBAO in Chinese 16 Aug 82 p 1

[Editorial: "It Is Necessary To Elect 'Understanding Persons' to Leading Posts"]

[Text] RENMIN RIBAO on 19 July carried the front-page report "Supplement Leading Bodies With Some 'Understanding Persons' [ming bai ren 2494 4101 0086] and Economic Results Will Markedly Improve." This has attracted extensive attention in the industry and communications system. Many comrades say that this has pinpointed the heart of the matter.

The term "understanding persons" is in fact a popular expression of the masses of people for those who have good sense. At present, a substantial number of workers in Beijing Municipality have proceeded from the actual conditions of the enterprises and endowed the saying with new meaning. The following are the qualities required of "understanding persons": 1) they must support the party line laid down at the third plenary session, firmly implement and put into practice the various principles and policies of the party and boldly resist unhealthy tendencies from all respects; 2) they must bear hardships, have enthusiasm, understand and know how to run business; and 3) they must have courage and insight, and be bold in blazing new trails. They must unite the comrades around them and open up new prospects. We have such "understanding persons" in the leading bodies of our enterprises, but they are small in number and far from meeting the needs of building the four modernizations.

There is much arduous and meticulous work to be done in the overall reorganization of enterprises. With the multitude of work, the key link is to reorganize and strengthen well the leading bodies and to elect more "understanding persons" to the leading bodies.

Provided there is a fine leading body, the rest of the work can proceed easily. Otherwise, even if we have conducted reorganization, there may be a temporary change in the aspect of the enterprises, but very soon they will return to the old ways. We must conscientiously remember this lesson encountered by various areas.

Judging by conditions in some areas, the leading bodies of a number of enterprises are not in a good spiritual mood, they are slack and weak and lack lofty revolutionary dedication. A substantial number of cadres are afraid of offending people and have no courage to uphold principles. People mock them as "seeking good relations with all and sundry at the expense of principle." Chaotic management of enterprises and lax discipline are usually related to this state of mind of leading cadres. "If one soldier is late, the general will lose the group." It is impossible to lead the ranks in promoting production if the leading cadres have selfish ideas and personal considerations and fail to rouse themselves. Those comrades who have these defects should realize the important historical task they are shouldering and strive to correct these defects as soon as possible. Those who have been patiently helped out yet proven incompetent should be dismissed from leading posts. A number of areas have implemented "transferring one or two to save the whole factory."

A situation commonly exists in which technical personnel in leading posts of enterprises are overaged, overstaffed, undereducated, or understaffed. Therefore, while conducting ideological reorganization, we must be determined to make suitable readjustment in the structure of leading bodies in accordance with the demands for revolutionization, specialization, and greater knowledge and lower age. In order to solve this problem well, we must have the courage to break through the traditional influence of arranging positions according to seniority and conscientiously implement party policy, particularly the policy on intellectuals.

In some of the enterprises, there is a strange phenomenon where, on one hand, there is an outcry over the shortage of qualified personnel, while on the other, there are large numbers of college and university graduates and also nongraduates who have gained knowledge and experiences through prolonged years of self-study who cannot play their role. Why not let those comrades who engaged in economic construction work during the 1960's or even in the early 1950's shoulder responsibility? Some comrades think that these people lack work experience in leadership. This viewpoint is wrong. Various construction personnel can only be trained by boldly using them, because only by boldly letting them work can they continuously accumulate experience. Whenever intellectuals are mentioned, some comrades think of them as arrogant. We do not agree with such an unsubstantiated viewpoint. Without self-confidence you can hardly do anything worthwhile. In our enterprises, we are not short of capable persons nor are we short of "understanding persons"; the problem is we must not suppress them, but enthusiastically find a method to open a way for them. There are a considerable number of leading organs that have not opened up such a way for the enterprises.

According to statistics, pre-"Great Cultural Revolution" college and university graduates, and those up to college level through self-study, total 5 million. If we let these people work, they can really be useful. We must grasp two points in conducting reorganization and restructuring: one is to restructure the management system, improve the economic responsibility systems, perfect rules and regulations, and organize production according to workers and quotas, and so on; the other is to reorganize and build a fine leading body and elect some "understanding persons" to form a leading body. The latter is more important than the former. It is impossible for an enterprise or a unit to make any progress without these "understanding persons" participating in the management of affairs. It is high time to be clear about the problem.

The reorganization and restructuring of leading bodies has been proposed for quite a few years now, but progress is not fast enough. Now, we can no longer delay. Departments and enterprises in all areas should put this work at the top of their agenda. At present, we must first and foremost reorganize and restructure well the 9,100 enterprises designated to be the first enterprises for overall reorganization, particularly the 1,800 large- and medium-sized backbone enterprises. In selecting talented persons to the leading posts, we should take a broad view and not act impetuously; we must not only consider those familiar people around us. Our veteran comrades in the leading groups at various levels should recommend comrades younger than themselves to the leading posts, and make this an important contribution to the party in their later years.

CHINA ISLAMIC ASSOCIATION ENDS BEIJING MEETING

OW210855 Beijing XINHUA Domestic Service in Chinese 1227 GMT 20 Aug 82

[Excerpts] Beijing, 20 Aug (XINHUA) -- The second session of the fourth committee of the China Islamic Association closed in Beijing on 20 August. The meeting called on Chinese Muslims to work under the leadership of the CPC and the people's government; to carry forward the fine Islamic traditions; to love the country and their religion; to unite with the people throughout China; and to contribute to the four modernizations, to the return of Taiwan to the embrace of the motherland and to the great cause of the reunification of the motherland.

The meeting began on 13 August. Zhang Jie, chairman of the China Islamic Association, delivered a work report.

The committee members pointed out: The primary task of the Islamic association continues to be to assist the government in publicizing and implementing the policy of freedom of religious belief, to strengthen education in patriotism and socialism among the broad masses of Muslims, to enhance their love for the country and their observance of the law, to promote the unity among the various nationalities, to work under the leadership of the CPC and the government and to make joint efforts to serve the four modernizations.

The committee members pledged to continue to develop friendly relations and to conduct academic and cultural exchanges with other Muslims abroad in order to promote mutual understanding and friendship.

Those who attended the meeting to extend their greetings included Yang Jingren, director of the United Front Work Department of the CPC Central Committee and minister of the State Nationalities Affairs Commission; Qiao Liansheng, director of the Bureau of Religious Affairs of the State Council; and responsible persons of the departments concerned.

TAIWANESE REACTION TO PRC-U.S. COMMUNIQUE CITED

OW201548 Beijing XINHUA in English 1529 GMT 20 Aug 82

[Text] Beijing, Aug 20 (XINHUA) -- The Sino-U.S. communique on arms sales to Taiwan has caused alarm and grudges among the authorities on the island province, according to reports from Taipei.

Taiwan's CENTRAL NEWS AGENCY reported that the spokesman of the island's "Ministry of Foreign Affairs" accused the U.S. Government of having "committed a grave error". He expressed "regret over the U.S. Government's agreement to restrict arms sales to Taiwan quantitatively and qualitatively, which is an act violating both the letter and spirit of the Taiwan Relations Act."

Soong Chu-yui, "director-general of the Government Information Office of the Executive Yuan", told the three major American television networks Wednesday: "We are disappointed the U.S. has hurt us again." He questioned the U.S. Government for its "stand" and said "we have every reason to feel indignant, but we try our best to control such indignation."

Chiang Ching-kuo, speaking to the Standing Committee of the Kuomintang Central Committee, said: "At such a moment, we should not be in the least perplexed by the temporary world situation."

Taiwan newspapers in the last two days have complained about the communique, begging the U.S. Government to "actively carry out the Taiwan Relations Act".

PRC, TAIWAN TO MEET IN VOLLEYBALL CHAMPIONSHIPS

OW221702 Beijing XINHUA in English 1607 GMT 22 Aug 82

[Text] Yokohama, Japan, Aug 22 (XINHUA) -- China and host Japan continued the winning streaks when competitions went half way through at the ninth Pacific rim junior volleyball championships here today.

In the girl's section, China, after beating South Korea on August 19, outspiked Canada, the Japanese high school selection and Australia with a similar score of 3:0. In these encounters, the Chinese girls put up a gallant fight by bringing their hard smashing and net blocking into full play. They will face China's Taipei on August 24 and Japan in the finals on the following day.

In the boys section, China defeated Canada, New Zealand, Australia and the Japanese high school selection, all in straight sets. The Chinese will meet South Korea, Japan and China's Taipei in the next three remaining matches. South Korea and Japan also had four straight wins. It is, therefore, hard to predict which of the three squads will carry away the title.

In a girl's match with South Korea yesterday, China's Taipei conceded the first set 5-15 but rallied back to take the next three sets 16-14, 15-13 and 15-11 in a row. With this victory, China's Taipei moved a step closer to seek a berth in the last top three.

CHINA POST ASSAILS U.S.-PRC JOINT COMMUNIQUE

OW230635 Taipei CHINA POST in English 18 Aug 82 9 4

[Editorial: Ronald Reagan Succumbs to Peiping's Blackmail]

[Text] The so-called "Shanghai communique II" as issued by Washington and Peiping simultaneously last evening represents U.S. President Ronald Reagan's succumbing to Peiping's blackmail.

The essence of that communique deals with the issue of U.S. arms sales to the Republic of China, in which Peiping has no right to interfere. Yet the United States has fallen into the Chinese Communist trap of discussing with the Peiping leaders repeatedly over this issue, thereby giving the Peiping leaders the perfect excuse to advance its blackmail demands.

The communique states that the U.S. Government does not seek to carry out a long-term policy of arms sales to Taiwan. It further states that the sales will not exceed the quality or quantity of recent years, since diplomatic relations were established with Peiping in 1979. The United States also declares it intends gradually to reduce its sales of arms to Taiwan, leading, over a period of time, to a final resolution.

These three commitments made by the United States constitute a clear violation of the Taiwan Relations Act which was passed by the U.S. Congress to protect the vital interests of Taiwan and its 18 million free people. For the Taiwan Relations Act obliges the U.S. president to supply arms sales to the Republic of China in accordance with its defense requirements. It also prohibits boycott or embargo to be imposed on the Republic of China, which constitute aggression against this country.

The question to be asked is, does President Reagan's commitment not to sell arms to Taiwan constitute Chinese Communist embargo of arms to Taiwan? If it does, then President Reagan's commitment constitutes a violation of the Taiwan Relations Act by a U.S. president who has the sworn duty of carrying out the act which is the law of the land for all Americans, including the U.S. president.

The meaning of the term "final resolution" is also obscure. U.S. observers thought that it was Reagan's way of avoiding setting a final date. However, the Chinese Communist Foreign Ministry spokesman said Tuesday that "final resolution" certainly implies that U.S. arms sales to Taiwan "must be completely terminated over a period of time."

In exchange of all the U.S. commitments to Peiping in compliance with its many demands, the United States got nothing in return except Peiping's phoney profession of peaceful intentions. It is now expected that a package will be submitted to Congress for renewal of an F-5E jet fighter co-production agreement with Taiwan for its approval. This program, it may be noted, has been pending for a long time and it was purposely delayed to accommodate Peiping's wishes.

President Reagan's statement accompanying the issuance of the communique said that the agreement embodies a mutual satisfactory means of dealing with the historic question of U.S. arms sales to Taiwan. On this point, Reagan can only speak for himself, as all the Chinese people will not be satisfied with Reagan's way of solving this issue. On the contrary, they will resent it as it would prolong the mainland people's sufferings endlessly when the Republic of China is denied the right to purchase arms for its legitimate self-defense.

President Reagan also stated that the agreement would promote the further development of friendly relations between Washington and Peiping and contribute to reducing tensions and to lasting peace in the Asia-Pacific region. Reagan must be deluding himself. He has just sowed the seeds of another war in this region by encouraging Chinese Communist aggression while depriving the only force -- that of the Republic of China -- capable of countering Peiping's aggressive moves if it could have the needed weapons and planes. The denial of such needed arms to the ROC will embolden the Chinese Communists to seize Taiwan by force. It will be able to invade Taiwan when the latter has been weakened sufficiently by the denial of U.S. arms sales and planes.

The people of the Republic of China should support our government in lodging the strongest protest to the U.S. Government on its latest betrayal of our vital interests. The United States has gone back on its promise of "we are not going to abandon our longtime allies and friends on Taiwan", as promised by President Reagan to the American people and the people of Taiwan. He has just succumbed to Peiping's blackmail and betrayed his own words of reassurances. We should prepare for the worst while hoping for the best. It is the time for all of us to rally together against the Chinese Communists even more than ever before.

BAN LIFTED ON IMPORT OF 842 JAPANESE GOODS

OW211429 Taipei CNA in English 1345 GMT 21 Aug 82

[Text] Taipei, Aug 21 (CNA) -- The Republic of China lifted the ban effective Saturday on the imports of 842 items of Japanese consumer goods. Economics Minister Chao Yao-tung made the announcement at a press conference.

These goods constitute about 25 percent of the total import value of the 1,500 items of Japanese products originally banned by the government, Chao said.

He stressed that the visit here of a high-level Japanese mission led by Masumi Esaki had achieved a breakthrough in the continuing trade talks between Japan and the Republic of China.

Despite the appearance of such political matters as Japan's attempt to revise its war records in history textbooks, the government regards the lifting of the ban on these items as being previously agreed upon and should be considered purely from the economic viewpoint, Chao said.

He said the imposition of a ban on the import of foreign products is incompatible with the principle of free trade. "The government took the action in February this year at great pains in order to call Japan's attention to sincerely take steps to narrow the trade imbalance between the two countries."

The Esaki mission has reassured the Republic of China of Japan's sincerity in efforts to close the trade gap and to help the country transform its economic structure, Chao said.

The Japanese products allowed to be imported again include foodstuffs, electrical appliances, flavors, jewelry with a value totaling about 30 million U.S. dollars.

BRIEFS

ARAB LEAGUE TRADE DEFICIT -- Taipei, Aug 10 (CNA) -- The trade imbalance of the Republic of China with the six countries of the Arab League last year ran as much as \$3,239 million. Experts are proposing that the Chinese products exported to the Middle East market should be diversified and other Mid-East markets should be explored. According to a recent report by the International Commercial Bank of China, the ROC's total trade with the six countries of the Arab League in 1981 amounted to \$5.1 billion. Exports came to \$939 million, and imports, \$4,179 million. The six countries of the league are Kuwait, Saudi Arabia, the United Arab Emirates, Oman, Bahrain and Qatar. Compared with the statistics of 1973, the ROC's trade with the six countries has increased 29.3 times, but imports have expanded 36.6 times. [Text] [Taipei CNA in English 0254 GMT 10 Aug 82 OW]

WEN WEI PO URGES SUZUKI TO ACT ON TEXTBOOK ISSUE

HK240823 Hong Kong WEN WEI PO in Chinese 24 Aug 82 p 2

[Editorial: "Suzuki Must Make a Prudent Choice"]

[Text] In dealing with the angry tide opposing the distortion of history, the Japanese Government cannot stall for a long time. On the 27th of this month, Foreign Minister Yoshio Sakurauchi will be going on a long journey and in September Prime Minister Zenko Suzuki will visit China. It is necessary to appropriately settle the revision of textbooks before their departures. Otherwise, friendly visits will turn into anti-Japanese demonstrations. When that time comes, they will go off cheerfully but come back disappointed.

The Education Ministry is still impenetrably thickheaded in its attitude. At first, it shirked its responsibility by shifting the blame of distorting history onto the professors it had employed, but it was rebuffed when the professors replied to the charges. Next, on the pretext of rejecting "interference in internal affairs," it attempted to silence the various countries which had suffered aggression and to allow the Japanese "advance." Later, it sent officials to China to explain the matter. However, they only stated their views but did not take any action to correct the errors. Recently, it raised another argument that "it will take 3 years to examine and approve textbooks," in an attempt to shelve the matter.

Officials of the Education Ministry, please examine your conscience: Where are you leading the Japanese nation by instilling the concept of aggression into the national consciousness? Are you arousing a sense of national self-respect and pride or are you driving the Japanese people to expand abroad? It is true that the Japanese nation is a promising one. Its vigorous economy, its sophisticated science and technology and its international influence are sufficient for the Japanese people to take pride in them. However, embellishment of the history of aggression and holding up war criminals as national heroes are by no means the happiness of the nation, nor can they cultivate genuine national feelings. They will only poison the national consciousness, reduce the Japanese people to its tools of aggression and land the Japanese nation in a position beyond redemption. The officials of the Education Ministry should come to a profound and complete realization and not deceive the nation in the name of the "nation."

The Japanese people have good sense. Several hundred Japanese students and inhabitants held a protest rally and demonstration in front of the Ministry of Education, showing the common indignation of the Japanese people. Japan published a new book entitled "Burn All, Kill All, Loot All," which exposed its crimes of invading China. This indicates that the Japanese people will never forget the lessons drawn from history. This indignation and these lessons are where the hope of the Japanese nation lies. This makes it possible for Japan to constantly adjust its course and embark on the road toward peace and development.

There are differences of opinion within the Japanese Government. The distortion of history carried out by the Education Ministry only represents the desire of a handful of militarists. Foreign Minister Yoshio Sakurauchi raised an objection to the Education Ministry by asking it to consider international public opinion and restore history to its original condition. It is feared that the differences within the Japanese Government can only be ruled upon by Prime Minister Zenko Suzuki. True, Suzuki's presence at the Yasukuni Shrine in his capacity as the Japanese prime minister reflected his outworn political consciousness; however, his stuttering speech also revealed that he still did not dare to rashly deviate from what is permissible and enrage the various Asian countries. We hope that on the questions of diplomacy that affect major relations between Japan and east Asian countries, Prime Minister Suzuki will not take an ambivalent attitude, still less take a wrong step.

Japan is universally acknowledged as a great economic power. It exports enormous funds, technology and products to east Asia and also imports raw materials. This is the key to maintaining and developing the Japanese economy. If the textbook issue results in strained diplomatic relations, economic and trade exchanges will be affected and the history of boycotting Japanese goods may possibly repeat itself. This is something that Japan does not want to see and this is also something that the Chinese people do not want to do. Viewed from these practical interests, Japan should also respect history and the desire of various countries which suffered aggression.

It is reported that Prime Minister Suzuki has a proper plan for resolving the issue. We shall wait and see the developments. It is hoped that he will be able to iron out the differences between China and Japan and further develop Sino-Japanese friendship. If he stops at oral expressions and refuses to take any practical actions to rectify the errors, the Chinese people will never agree to this.

PRC PLANS TO REORGANIZE FOREIGN TRADE REPORTED

HK240226 Hong Kong SOUTH CHINA MORNING POST in English 24 Aug 82 -- Business News p 1

[By Julie Auyeung]

[Text] China is close to completing plans to reorganise its foreign trade activities. The object is to stop the operation of non-approved establishments in Hong Kong, and to redefine responsibilities of its ministries, bureau and corporations.

China is going to stop operation of those companies which are set up in Hong Kong without approval from the State Council, China trade sources said.

It is estimated that there may be around 300 such sompanies which act as the trading arms for local production units in various Chinese provinces. Many of these companies have Hong Kong partners and their cooperation is usually in the form of joint ventures. Some of them are solely owned by enterprises in China and some have appointed representatives.

Despite the fact that they are registered in Hong Kong, they represent provincial interests with the aim of expanding foreign trade. However, this has created problems. Sources cited one example of a production unit which had kept most of its production to be marketed by the Hong Kong representative while handing over a small portion to the foreign trade corporation in China. This has resulted in price differences.

At present, there are more than 10 Chinese companies in Hong Kong set up with approval from the State Council. Some of them were established in the past two years, while others have been here a long time.

The newly established companies are: China Ever-Best Machinery Enterprises Co Ltd., China United Shipbuilding Co Ltd. and trading companies representing Guangdong, Tianjin, Fujian, Shanghai and Beijing.

The procedure of setting up these companies takes a long time, but it is usually initiated by a Chinese corporation. The approval of the State Council is necessary. Even the appointment of senior officials has to be agreed on by the State Council. For example, in one of the above-mentioned companies, all positions above the managerial level are taken up by people sent from China.

Apart from the plan to reorganize their trading activities in Hong Kong, sources added that China is also in the process of redefining responsibilities of its ministries, bureaus and corporations. The desire for job redefinition came from growing business activities and the huge industrial and trading structure in China.

HONG KONG, PRC CONSIDERING LIGHT RAIL SYSTEM

HK210207 Hong Kong HONG KONG STANDARD in English 21 Aug 82 pp 1, 2

[By Christine Cheung]

[Text] Both Hong Kong and China are seriously considering building a light rail system between Lowu and Shenzhen to improve the traffic flow, a source said yesterday. The source said the proposal for such a project was put forward by the governor of Guangdong, Liu Tianfu, to Sir Edward Youde during his first official visit to China as the governor of Hong Kong.

Both sides felt the need for the project, the source said, and it was agreed that experts from the two places would work together to study the feasibility of the plan.

"The actual arrangements will have to be discussed with experts," said Sir Edward, when he was asked to comment on the proposal during a press briefing on his train trip from Guangzhou to Shenzhen yesterday morning.

Sir Edward yesterday finished his two-day visit to China after meeting senior Guangdong officials and visiting the Shenzhen Special Economic Zone.

He said their discussions included topics about the crossing point between China and Shenzhen [as published] and what could be done to improve the flow of passengers and freight from Hong Kong to Shenzhen and vice versa. "We were talking about Shenzhen station and the connection between each side of the border and what could be done to facilitate the flow of traffic," said Sir Edward.

He noted that there were large numbers of people crossing there and they wanted to make it as easy as they could. He said there were "some difficulties with the topography but we are doing what we can on that."

The 700-metre passageway between the two locations -- Lowu and Shenzhen -- is a narrow stretch of land and during the busy season, the packed crowds and the busy train service create potential hazards to the passengers. The source said Sir Edward also realised the risk in the passageway and the urgent need to solve the problem.

And it is understood that besides the rail system, both sides have to consider arrangements at the checkpoints. However, the governor also added that: "I didn't come to reach concrete agreements; I came to talk to them and to talk to them in general terms about how we improve the relationship between the two places," he said.

Sir Edward said he chose this time to visit Guangzhou because of its close relationship with Hong Kong. He said he had been trying to see many people and places in Hong Kong during his governorship for the past three months, and that he decided to put his visit to Guangdong high on the agenda to meet people there.

He had planned to cover three to four things in the visit. These included: to meet and get to know senior Guangdong officials; to hear from them about the economic development in the province; and to see something of the investment which people from Hong Kong are making in Guangzhou. The 1997 lease, however, was not on the agenda because they only discussed local issues. And it was not known whether Sir Edward would be going to Beijing in September because, he said, it took time to make preparations.

When commenting on the planned nuclear plant in Shenzhen, approval of which was announced by Chinese officials yesterday, Sir Edward said they did have some talks about power supply in Guangdong but not about specific projects. He said there were many nuclear plants built round the world, and that they were observing safety requirements which were being improved all the time. However, he declined to talk about the contribution of the plant to Hong Kong or the possibility of enhancing people's confidence in Hong Kong's future in connection with the construction of such a project.

In his tour of Shenzhen yesterday, the governor, escorted by the mayor of Shenzhen, and Vice-Governor of Guangdong Liang Xiang, visited Shekou and two factories in Shenzhen.

COMPANIES VIE FOR SERVICES TO PRC OIL EXPLORATION

HK210346 Hong Kong SOUTH CHINA MORNING POST in English 21 Aug 82 -- Business News p 1

[By Julie Ayueung]

[Text] More than 300 local companies have contacted China Offshore Oil Services (Hong Kong) Ltd (COOS) to vie for contracts to provide support services for China's offshore oil exploration. They include banks, shipping companies, supply vessel operators, aircraft manufacturers or agents, caterers and drilling mud and chemical manufacturers.

Intensive preparation work is also being done by COOS's parent company - the Guangzhou-based Nanhai Oil Joint Services Corp, which was formed in May to oversee support services in southern China.

Nanhai has established subsidiary companies in Guangzhou, each of which will look after one type of support service -- catering, accommodation, helicopters, supply vessels, drilling materials and telecommunications.

Nanhai Oil's deputy chairman and general manager, Mr Chen Lizhong, told Business News yesterday that though these subsidiaries are still in the process of enlargement and consolidation, work has already been defined for each of them. They will now study proposals by foreign servicing companies and more detailed negotiations will be carried out later. Guangzhou will become the headquarters for oil activities in southern China, Mr Chen said. "We are also quickening the speed of work such as building hotels or residential complexes, training interpreters, drivers and people in the servicing industry to meet with the influx of foreign oilmen," he said.

Since servicing covers a wide area, there is a need to form other joint-venture companies with foreign parties which then will act as operators for various support activities.

Mr Chen said that to avoid monopolies and foster competition, there will be, on average, two or three operators for each of the support service activities. Business News has learnt the Chinese will want a majority share in each joint venture formed to act as an operator.

The 100 bids submitted by 33 oil companies tendering for China's offshore oil concessions were unsealed yesterday at a ceremony in Beijing. They were initially placed in safety boxes by the president of China National Offshore Oil Corp, Mr Qin, and a senior official of China's foreign trade bureau, Mr Wu Jie. A committee will screen them and select successful bidders within the next three months.

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